American Public Human Services Association
TODAY'S EXPERTISE FOR TOMORROW'S SOLUTIONS

GOVERNANCE GUIDANCE

for horizontal integration of health and human services

Prepared for ***APHSA***

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Questions This Guidance Will Answer

This ***Governance*** section offers guidance to state and county leaders on how to establish an oversight body that sets the vision, strategic direction, desired outcomes, and policies to govern and support the planning, design, and implementation of an integrated health and human service system that meets the needs of the state and the consumers that both systems serve. This guidance will help leaders understand the drivers of systems integration, the current environmental factors, strategies to consider, and steps that must be taken to design a future that goes beyond interoperability. The guidance will enable the states and localities to embrace a fully integrated health and human service enterprise that delivers positive outcomes for consumers and, ultimately, reduced costs to states and localities over time.

- What is governance and why is it important?
- What are the roles and responsibilities of governance?
- What measures can be taken to ensure governance is effective, efficient, and well-executed?
- What is the role of the *Governing Body*?
- What is the context in which the *Governing Body* must plan, operate, and respond?
- What are the critical considerations in appointing the *Governing Body*?
- What are the key operational issues related to governance?

Why Is Governance Important for the Integration of Health and Human Services?

To achieve true integration of state and local health and human service systems requires a clear vision and significant action. This complex and complicated process requires ***leadership*** to build the ***infrastructure*** to enable ***cross-system information sharing*** and ***reengineered business models*** that ***streamline processes*** and ***enhance the customer experience.*** How each state or locality approaches and achieves system integration will be as different as the unique characteristics and needs of each state. However a state chooses to fashion its integration design, the goal is a coordinated "system" that works for the consumer, produces positive results, and reduces costs to the state. Strong governance from the start is essential for long-term success.

In some states, the governance structure for the integration initiative will build upon the existing Patient Protection and Affordable Care Act (ACA)[1] implementation structure providing guidance and oversight to health care reform efforts, especially as it relates to the information technology linking the new Health Insurance Exchanges (Exchanges) with Medicaid and the Children's Health Insurance Program (CHIP). New guidance from the federal government encourages bringing human service representatives to the planning table early so as not to miss the opportunity to maximize enhanced funding and attention to systems change engendered in the new health system developments. Without the information necessary to maximize the building of *interoperable* systems, states may miss the opportunity to fully utilize the historical time-limited exception to the cost-allocation rules recently provided by the federal Office of Management and Budget. Exploring and maximizing these opportunities will give states a good start toward fashioning a future with an integrated health and human service system for the 21st century.

Human service leadership must get involved in the ACA planning ***now*** in order to assure connectivity and integration in the future! They must take concrete and meaningful action for both achieving interoperability and for setting the foundation for the integration of health and human services for the next generation. They must participate in developing the principles that should drive a state's longer term integration planning efforts to achieve the realization of full integration.

Although this guidance suggests a methodical approach to organizing a Governance Structure, it must be done immediately and quickly so that no more time is lost in seizing the time-limited funding opportunities currently

[1] P.L. 111-48, 111-251

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available and in assuring that the human service perspective and vision of a fully integrated health and human services are part of the ACA planning currently underway.

A. What is Governance?

Governance, its structure, and the governing body differ from the day-to-day management of an organization or project. Management leadership is responsible for operational decision-making, with a clear reporting relationship to the governing body. Management operates with clear expectations and outcomes, sufficient authority delegated by the governing body, appropriate staff and technical capacity to carry out duties assigned, and credibility with key stakeholders to get the job done.

> ***Governance***—*Deriving from the Greek verb kubernao, which means to steer, governance is defined as the act of governing, or steering the policies, management, and activities of an organization at the highest level, with the authority, credibility, and responsibility to do so.*
>
> ***Governing Structure***—*The governing structure is the framework through which the act of governing occurs; i.e., hierarchy, matrix, committees, or other as appropriate for the organization or project. It is a structured approach to defining policy, processes, tools, and responsibilities to manage an organization or implement a project. This framework clearly defines who participates in the steering body, what is within the scope of their responsibility, and how they will conduct business. It defines the reporting structure and provides a forum within which to make policy and assess progress.*
>
> ***Governing Body***—*The people who populate the governing structure are the governing body. They hold the power and authority for policy level decision making and oversight of the management and implementation of an organization or project. It must be clear from whom the governing body derives its authority; i.e., in the context of government systems change, the governing body may be chartered by an executive order from the governor or by legislative action.*

B. Why is Governance Important to the Integration of Health and Human Services?

A large system change initiative, like fully integrating health and human services, requires a strong cross-enterprise *Governance Structure* with an actively engaged *Governing Body* to:

1. Articulate a clear vision
2. Define strategy and expected outcomes
3. Maximize and allocate resources
4. Resolve conflicts
5. Monitor performance
6. Oversee the management, policies, guidance, processes
7. Make decisions required to assure success

The *Governing Body* must stay focused on the vision and strategic direction and must monitor progress toward implementation in order to create the seamless, modern marketplace that benefits both consumers and the state.

Effective governance for an integration initiative requires that the governing structure include visionary leadership as well as experts on new health care technological systems design and implementation, experts in the business of human services, and stakeholders from across the enterprise. This includes those with knowledge of opportunities for improved business processes, shared services and horizontal capabilities, as well as the service and benefit eligibility and delivery, program performance rules and requirements, and flexible policies and regulations.

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I. Governance: Identifying Current Challenges

States opting to develop and/or enhance their eligibility and enrollment systems for Medicaid, CHIP and the Exchanges now have a unique opportunity to turn their attention to the expansion of their systems to include eligibility screening and enrollment for human service programs, and more. Innovative human service leaders are exploring the possibilities envisioned in a larger, fully integrated health and human service system that goes beyond the interoperability of front-screen data to achieve seamless, streamlined care coordination, relationship management, shared services, and other components of a modern marketplace that is consumer focused and outcome driven.

Good governance will require leadership to understand the vision, act swiftly on unique opportunities, identify the challenges, and break down the barriers to a successful future state. The following are some of the issues with which the governing body will wrestle in its journey toward integration of health and human services. Although the ACA planning and implementation efforts have provided numerous lessons and guidance for the health sector that can be applied to the human service sector, the barriers to full integration loom large. Some of those challenges are described below.

1. Culture of Integration

Perhaps the greatest challenge to the implementation of a 21st century, modern marketplace in government health and human services is the lack of a culture of connectedness resulting from the traditional silos that have grown up around government systems, compounded by the lack of incentives for integration and, in fact, *disincentives* to do so. Yet, it is clear that a significant number of people served in the human service sector are also covered by government health plans, like Medicaid and CHIP. Integrating health care and human services plays a key role in lifting people out of poverty, improving health, and enhancing employment possibilities for the people served by both systems. But, movement toward the integration of those service streams remains slow and cumbersome.

Today, the confluence of (1) new and existing research on the bio-psycho-social intersection and related best practices in health and human services, and (2) increasing demand for services delivered in a modern customer service experience, and (3) advances in information technology capabilities make possible greater levels of integration across agencies and systems than ever before, creating both an imperative and an opportunity for improvement.

The challenge for an integration initiative governing body is to promote a clear vision in a culture unused to working across the entire health and human service enterprise, maximizing connections within government and reaching out to the community for partnership in service.

2. People and Planning

In most states, the magnitude of ACA implementation is such that a discreet group of people are working on it and the lack of knowledge about it in the human-service sector is pronounced, even at the highest levels.

In addition, the people tasked with ACA implementation are generally health and insurance professionals (Medicaid directors, private health insurance network personnel, and health information technology experts), not human service professionals and are, therefore, neither knowledgeable about, nor focused on, meeting the needs of human service consumers. They are often grounded only in the traditional definition of health, are not considering the broader, *whole person* definition of health, and are not wrestling with the social determinants of health, or the health determinants of a person's social condition. Their focus is driving the work in the health sector to meet the ACA deadlines that are fast approaching. Nevertheless, their expertise in the health system improvements, health IT, and the Exchanges will be invaluable in managing an initiative for integrating health and human services for the future.

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3. Federal Issues

State and local health and human services operate in a symbiotic relationship with the federal government. Federal financial participation in program support is essential to the state's ability to provide public benefit programs and health coverage. Like health care, the human service systems in the United States are on an unsustainable growth curve of increasing populations and rising costs. This recognition on the federal, state, and local levels has led to greater push for finding and adopting efficiencies across the government benefit landscape and efficacy in the programs delivered. Many see the integration of health and human services as a major step in reengineering government to do more with less and get better results for the people served and reduced cost to the state in both the short term and the long run.

Most commonly raised as significant challenges to horizontal integration of health and human services are the differing eligibility requirements and program rules at the federal and state levels, complex data-sharing rules, differing confidentiality regulations among programs, legacy technology systems in human services that are antiquated and increasingly unsupported, cost-allocation rules and political will. These are not insignificant challenges, but they are not insurmountable.

From a funding perspective it is important to note that the same federal investment in health system change is not available at this time for improvements in the human service arena; however, there are opportunities to utilize ACA funding to begin the planning and development of the natural horizontal linkages between the two systems. The federal administration is encouraging states to take advantage of these opportunities and, in fact, has built "interoperability" into the conditions required for any new or enhanced Medicaid systems developed under the ACA. In early 2012, the federal Office of Management and Budget, along with the three primary agencies involved in health and human services (CMS, ACF, and FNS) released guidelines governing the use of enhanced funding to assure that human services can, in fact, be integrated with the new health systems in the future (see OMB A-87 Exception Memo). The A-87 Exception to cost-allocation rules presents a unique opportunity for states to use federal funds to modernize their business process and information technology for the future.

4. State and County Issues

Government health and human service systems operate within a political context and are influenced by the philosophical grounding of the different parties and the differing agendas of the governor, legislators, and influential members of the community. The federal Affordable Care Act and its mandates for states have been received and pursued differently in various states, often depending on the political environment. Leaders of the integration initiative will be challenged to find ways to position the integration of health and human services as essential to achieving gubernatorial or legislative priorities, as a business decision to produce positive outcomes and reduce costs to the state, or as a critical opportunity to modernize the largest and most expensive government programs for the 21st century.

In addition to complex federal rules, regulations, and funding streams, states' policies can further complicate things by piling on or creating additional rules, regulations, and funding requirements that impede care coordination and integration that would benefit consumers. States on the forefront of systems integration have found innovative ways to remove policy and administrative barriers to smooth the path toward maximizing new funding opportunities for total systems integration. Governance of the integration effort will require significant inquiry and the authority to uncover and challenge those barriers, and the power to influence change as needed.

County-administered states, on the other hand, have a unique situation inasmuch as the county government's role in health and human services adds an extra layer in planning and implementation. Both state and county leadership must understand the roles and responsibilities of each layer of government and participate appropriately in the governance of the state's integration efforts.

5. Technology

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Modern technology is essential to achieving a fully integrated health and human service system that operates in a 21st century marketplace. What might begin with the required transfer of nominal data for eligibility determinations will eventually evolve to include the capability of robust information gathering and knowledge management for good decision-making, comprehensive relationship management, and administrative reporting for case management and program planning.

Federal funding for health information technology (IT) systems over the past several years has led to significantly improved health information transfer. For the nation's human service systems, the barriers to linking with the new modern health care system reside in out-dated business models and antiquated legacy IT systems that make integration difficult, if not impossible, and impede progress toward an efficient and effective integrated health and human service system.

6. Privacy and Confidentiality

The challenges inherent in maintaining privacy and confidentiality cannot be overstated and, indeed, rise to the level of the governing body for consideration and decision-making due to the sensitive nature of the personal information that is gathered and shared about service recipients.

Perhaps one of the most often cited reasons for minimizing the connectedness of health care and human service streams is the plethora of data and personal privacy requirements and confidentiality rules in both systems. The Health Insurance Portability and Accountability Act (HIPAA) and the Family Educational Rights and Privacy Act (FERPA) may be perceived as the most strident, but other federal, state, and ethical guidelines come into play in safeguarding the personal and financial data of consumers served by both the health and the human service systems. Often, the barriers to information sharing lay in the misperception or misinterpretation of the law or regulations, not in the rules themselves or in the technology's inability to share the data.

Although privacy and confidentiality must be preserved, modern technology enables various levels of access and security clearance to overcome the major barriers to horizontally linking the new health IT systems with existing and future human service technology. Part of the work of the governing body is discerning the difference between the real and the imagined barriers, perhaps through appointing a dedicated team to examine the issues and ensure the right balance is preserved.

II. Governance: Addressing the Challenges

Good governance for an integration initiative will require strong leadership to identify the challenges unique to their state or locality, to set policy to achieve a clear and focused vision, and to provide strategic direction that will guide management in the implementation effort for the long haul. Just *how* the governance is established is critically important. There must be a balanced approach and an ability to balance competing interests. The goal is to assure a focus on the ultimate goal of long-term success for the individuals and families served by the state.

This section of the Governance Guidance suggests ways that states can address each of the challenges highlighted in the previous section.

A. Culture of Integration

Creating a culture of integration begins at the top. Not only the leadership of the health and human service agencies must be aligned, but the impetus for integration must be recognized by the governor and her/his policy people, the State Budget Office, the State's Chief Information Officer, and other Cabinet officials. Ultimately, the role of government health and human service programs is to create healthier communities and less-dependent individuals and families by providing the financial and personal assistance needed to support long-term success. A culture of integration calls for active support for focusing on family success and alignment of incentives among the highest levels of state leaders. In particular, the lead agencies in the health and human service integration effort, Medicaid and Human Services, must be held accountable for providing leadership for the state focus on individual and family success.

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A high-level charter issued by executive order of the governor or a legislative mandate to establish a governance structure and governing body and to begin the process with required report-back are the most powerful actions that will not only jump start the journey but also assure follow-through to implementation. That level of action demonstrates commitment to integration of health and human services and delegates the power and authority to create the culture of integration and realize the vision.

Short of an executive order or legislative mandate, however, a state can look for existing Cabinet structures, interagency committees or task forces that could take on this work immediately. Many states have children's cabinets or other cross-discipline teams in place; a charge from the governor to one of those bodies could suffice, but not require the same political capital to secure a more formal authority.

The governance strategy begins with defining the vision, mission, values, guiding principles, and goals to set the stage for the change management journey that lies ahead. Developing the governance structure, identifying members of a *Governing Body,* and defining a process to ensure that governance is effective and efficient are strategic decisions that can make a difference to the success of the project.

1. Define Vision, Mission, Values, and Goals

A national workgroup of leaders in state and county government health and human services developed a broad vision of their field for the 21st century as:

A fully integrated health and human service system that operates a seamless, streamlined information exchange, shared services, and coordinated care delivery that is a customer-focused modern marketplace experience designed to improve consumer outcomes, improve population health over time, decrease poverty, increase employment possibilities and, ultimately, bend the health and human service cost curve by 2025.

This vision is grounded in the research on the social determinants of health as well as the health determinants of an individual's social condition. For example, chronic medical conditions can often prevent sustainable employment, which often leads to reliance on government support services such as TANF, SNAP, housing, and others. Conversely, inadequate housing, nutrition, and household income often lead to deteriorating health, resulting in chronic medical conditions like hypertension, obesity, depression, and other serious medical issues. The human service system could benefit from a richer "health home" model evolving from the health care reform efforts in order to get a fuller picture of individuals and families that cross health and human service systems. To achieve the envisioned fully integrated system as described above will require recognizing the opportunities at the intersection of health and human services for the people in both systems and to pursue a journey of systems change.

How each state approaches and achieves systems integration will be as different as the unique characteristics and needs of each state. Population characteristics, government agency structure, political will, and system readiness all factor into development and pursuit of an Integration Vision specific to each state. Developing, articulating and shepherding the vision are, perhaps, the most essential functions of *Governance.*

Steps to Take Now:

- Develop and align the vision, mission, values, and goals with horizontal integration
- Secure commitment from the sponsor, the governor, by articulating the broad vision
- Align ACA implementation champions behind the vision

2. Create Governance Structure

Major systems changes require significant buy-in at the executive level; therefore, developing an appropriate governance structure is essential. Creating an oversight organization or *Governing Body* is a critical first step. Defining a *Governing Body*, whether by executive order, statute, administrative appointment or some other mechanism that establishes a charter, membership, decision-making structure, and powers is essential. The *Governing Body* must be designed to sustain through the start-up, the short-term milestones, and the multi-year

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commitment to system reform, with the flexibility, transparency, responsiveness, and accountability that will be required throughout the process. It must also be designed to transcend elections and sustain beyond change in political leadership because systems change takes many years to complete. Governance must be driven through the vision, values, and guiding principles established by the *Governing Body* and build toward collaboration and partnerships with stakeholders throughout the health and human service enterprise.

The structure of a governing structure might be multi-tiered, as in the pyramid below:

In this model, the Executive Level consists of a "guiding coalition" of high-level leaders with a stake in the outcome of the effort, people in a position to make significant policy decisions, break down barriers, and provide vision and strategic direction. This top-level group should include decision-makers from both health services and human services, as well as those guiding the planning and implementation of the Exchange. This cross-system coalition is critical to understanding and achieving essential integration between the systems and the Exchange. It should also include the governor's policy director, the State Budget Office, the State Chief Information Officer, and others responsible for developing and funding major systems changes and with the authority to make decisions that will move the initiative forward.

The Management Level includes senior-level managers capable of directing the effort and facilitating communications between the Executive Level and those charged with implementation of both the ACA-related efforts on the health service side *and* the human service integration that will follow. In addition, senior-level managers from the governor's policy office as well as the office of the State Chief Information Officer and State Budget Director should also be involved.

The Operational/Tactical Level consists of people charged with making it all happen according to the vision and direction provided by the "guiding coalition." The Operational/Tactical people are responsible for identifying challenges and opportunities, helping the Executive and Management Leadership understand the barriers, working through them, and delivering on the vision.

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Together, the extended group of people involved in the governance of the integration effort must be vested in the successful outcome and work together to assure timely and appropriate implementation.

Example: State of Oregon

As one of the first states to get a federal Early Innovator State Grant, Oregon is on the forefront of ACA implementation. In so doing, Oregon, right from the start, considered the impact of the ACA changes on its human services system as well and began to plan accordingly. The Oregon Health Authority (OHA) and the Department of Human Services are two separate cabinet-level agencies working closely together to shepherd the future through collaboration and integration. The single state Medicaid program resides in OHA, while SNAP, TANF, and Employment Related Day Care (ERDC) reside in DHS. DHS determines eligibility for SNAP, TANF, ERDC, and Medicaid, while OHA determines eligibility for Medicaid-only cases (those not receiving or applying for other social service programs).

OHA and DHS, together, chartered two shared service governance groups: The Joint Policy Steering Committee (JPSC) and the Joint Operations Steering Committee (JOSC). They are responsible for the oversight of policy and operations decisions that affect both agencies as they relate to their shared services, which include information technology (IT). Both governance groups were co-convened by the directors of the respective agencies and are co-chaired by one representative each from OHA and DHS. The membership is limited and equally represented across the two agencies. (See attached charters for the JPSC and the JOSC.)

In addition to those executive level governance groups, there are several other steering committees that are chartered to ensure collaboration, coordination, and implementation of services across the two agencies. Three deal directly with the collaboration on medical policy and implementation, one from a policy perspective and the other two from the technology perspective. They are:

- Medicaid/CHIP Operations Coordinating Steering Committee (MOCSC), which is a governance group created by the JPSC and JOSC for program and operations decision-making for Medicaid/CHIP in both DHS and OHA, and any other state agency, such as the Oregon Youth Authority, with Medicaid/CHIP program components.
- Executive Steering committees for each of the major technology projects; Modernization DHS' technology project and Health Insurance Exchange (HIX) OHA's technology project. These steering committees are sponsored by the Directors of DHS and OHA. The steering committees are facilitated by the Shared Service Project Lead over both systems. The voting membership is limited and incorporates a representative from the other respective department, i.e., Modernization (DHS) has voting membership from OHA and HIX (OHA) has voting members from DHS.

A governance charter specifically for the integration of technology projects related to the Health Insurance Exchange and Modernization projects is underway, built on the strong foundational vision of shared services and service integration in the state of Oregon.

In some states, the governance structure for the integration initiative will build upon the existing ACA implementation structure providing guidance and oversight to health care reform efforts, especially as it relates to information technology linking the new Exchanges with Medicaid and CHIP. New guidance from the federal government encourages bringing human service representatives to the planning table early so as not to miss the opportunity to maximize enhanced funding and attention to systems change engendered in the new health system developments. New federal actions set the stage for interoperability between health and human services now, which will ultimately create an environment that will support a fully integrated system for the 21st century.

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B. People and Planning

The key to successful change management is a governance structure with a *Governing Body* that is dynamic and committed to pushing through tough decisions and changing times. Members of the *Governing Body* must recognize the differing operational and financial priorities of the various agencies at the table and must balance the project priorities with the day-to-day issues its members face. This section addresses operational issues surrounding the *business* of the governance structure and organizing for stakeholder involvement. In addition, it addresses the issues involved in understanding how human service programs work today and what must change in order to align human services with the changing health care landscape.

1. Create Governing Body

The *structures* of the governing bodies will differ from state to state according to the state's culture and needs. The *Governing Body* might be a board whose chair is vested by the governor or through statute with all decision-making authority; or a committee may serve in more of an advisory role to collect information and make recommendations to the governor, legislature, or agency official. The governance structure may also include formal or informal subcommittees charged with tackling operational, administrative, technical, or programmatic issues. The role of the subcommittees may include understanding, analyzing, and defining current and desired business models, assessing technology readiness, identifying service delivery best practices, etc., and bringing recommendations to the *Governing Body* for review and endorsement. In addition, the governance structure must be able to accommodate input from subject-matter experts, leaders, and others with specialized skills in the areas of inquiry.

2. Role of Governing Body

The *Governing Body* is charged with achieving a visionary, yet highly complex, large system-change process, aligning strategic direction and implementation consistent with the Integration Vision designed to produce the positive, long-term, sustainable outcomes for children, families, and individuals served throughout the enterprise.

The role of the governance structure and *Governing Body* for the integration initiative is much broader than the ACA implementation or the interoperability of data between the Health Insurance Exchanges and Medicaid systems or even some human service programs. Planning for a fully integrated system will encompass a myriad of activities, including:

- Articulating a clear and united vision
- Identifying legal, policy, administrative, technical, financial, and other obstacles to integration
- Defining project objectives, tasks, timetables, and outcomes
- Securing support from stakeholders and other state decision-makers
- Overseeing planning and implementation activities
- Recommending system improvements, enhancements, and changes
- Resolving conflicts and overcoming obstacles to integration
- Monitoring performance

3. Considerations for Governing Body

In building on existing ACA planning and implementation governance, however, it is important to understand that the new Exchanges and Medicaid/CHIP linkages are focused on health insurance eligibility and enrollment and are not intended to be social service portals; however, it is equally as important to envision the Exchanges operating in a modern marketplace experience with linkages to human services so that those who qualify for Medicaid or premium supports can see and learn more about social services, which may be helpful to their overall health and well-being and, eventually, give them the ability to manage their total health and human service experience in one place.

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Unfortunately, in most states, the magnitude of ACA implementation is such that a discreet group of people are working on it and the lack of knowledge about it in the human-service sector is pronounced, even at the highest levels. The people tasked with ACA implementation are usually health and insurance professionals (Medicaid directors, private health insurance network personnel, and health information technology experts), not human service professionals and are, therefore, neither knowledgeable about nor focused on meeting the needs of human service consumers. Their focus, understandably, is driving the work to meet the ACA deadlines that are fast approaching (like APD certification by 1/1/2013 and live Exchanges by 1/1/2014).

Achieving a fully integrated health and human service system will take time, but should begin now. Integration is a complicated endeavor that involves an array of organizational, technical, cultural, legal, political, and individual issues that must be addressed. Whether the governance structure, including *Governing Body*, committees and subcommittees are formalized in the executive order or formal charter will different from state to state; however, some formalization of structure is recommended to lend gravitas to the project and to assure sustainability of the project through executive and administration transitions.

Steps to Take Now:

- Identify allies and convene them to draft an initial charter for consideration
- Get recommendations to the governor for moving forward
- Get to the planning table (if not already there) for ACA planning and implementation
- Engage champions at the highest levels to keep the focus on planning through the immediate need for interoperability and for the long journey toward full integration

4. Membership of Governing Body

The governance structure must ensure a place at the table for all relevant stakeholders. Members of the *Governing Body* overseeing the activities of the change process should be individuals at the highest level of leadership across the government systems, as well as representatives of the many stakeholders and consumers within the large system enterprise. Their task is to define the future desired state, analyze and understand the current environment, recommend changes necessary to achieve the vision, provide leadership, and monitor progress toward completion.

Members of the *Governing Body* must be the champions for the system change and must have the power to dedicate agency resources and commit personnel to get the job done. Key stakeholders must be engaged early in the process so that they can help define the problems and opportunities, become invested in the project's development, and recognize their role and responsibility for its success.

Beyond stakeholders, subject-matter expertise will be required in: technology, categorical funding streams (both federal and state), service and benefit eligibility rules, confidentiality matters, etc. This expertise can be part of the *Governing Body* or a subcommittee. Also, input from other government agencies that touch the health and human service systems will be helpful: i.e., education, public safety, corrections, housing, and others.

Most commonly raised as significant challenges to successful integration of health and human services are the differing eligibility requirements at the federal and state levels, complex data-sharing rules, complex confidentiality rules in different systems, legacy technology systems in human services that are antiquated and increasingly unsupported, and political will. It is, therefore, important that individuals on the *Governing Body* understand these challenges to change and can mobilize the necessary forces to break through the human, financial, technological, and political barriers to achieve the integration vision. Getting the right players at the table is crucial for developing a comprehensive vision, securing the necessary buy-in to the project, establishing credibility, and creating a sense of ownership.

Steps to Take Now:

- Identify key members of the health and human service enterprise who would be allies in, and champions for, integration and should be engaged in this project

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- Convene allies to build awareness of the issues and current opportunities and to make recommendations for a path forward, including who should be on a governing body
- Engage stakeholders throughout the health and human service enterprise to fine-tune the vision specific to state population needs; include consumers and service professionals.

5. Principles of Governance

Establishing principles by which the *Governing Body* will operate is a critical first step. The *Governing Body's* responsibilities must be clearly outlined. All members must be on the same page and share a similar vision for the future.

Second, stakeholder recognition and engagement are essential to achieving buy-in and maintaining forward movement. In addition, stakeholders can keep the project grounded and focused. Good governance seeks to make sure that all stakeholders get a voice and participate.

The principles of governance must also address a code of conduct regarding ethical behavior and decisions, plus such topics as transparency, accountability, shared decision-making, and conflict resolution, among others.

6. Business of Governance

An effective governance structure requires clear rules for conducting the business functions of the entity. Issues that need to be addressed early in the development include: how to conduct business, including electing leadership, voting procedures, committee management, etc.; how to resolve conflicts and difficult decisions; how to manage operational differences among agencies (i.e., definition of a "case" or referral process); how to assure the project will continue during leadership transitions; and how to secure and allocate resources, both human and financial, to conduct the work and produce desired deliverables.

7. Environmental Scan

A key function of the *Governing Body* will be to conduct a realistic assessment of current business practices in human services with the intent of identifying ways to make the processes more efficient, effective, accurate, and customer service–oriented, then aligning those findings with the state of the health care system in play vis-à-vis the ACA.

Steps to Take Now:

- Understand the current business model in human services and what must change to align with the modern marketplace experience being developed in the health sector
- Assess current capability to provide cross-system and multi-agency service and benefit delivery and care coordination

Begin the process of culture change to minimize program and administrative silos and to encourage a culture of sharing, cooperation, coordination, communication, and customer service.

C. Federal Issues

1. Program Restrictions

The federal government restrictions and rules related to specific human service programs can be a barrier to integration; however, the federal administration has been open to discussions with states about removing at least some of those barriers through extensive use of waivers or other authorizations. The first step is to understand the obstacles to the state's redesign efforts, then open dialogue with the federal program officials to uncover flexibilities and to ascertain possible options for getting around the program requirements.

2. Technology Funding

The governing body should investigate opportunities in the state's health system redesign to leverage current federal requirements and funding into the human service system. The Exception to the Federal OMB A-87 Cost

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Allocation Rules encourages the use of the 90/10 enhanced federal funding to assure the interoperability of the two sectors and to open the door to broader future horizontal integration.

Steps to Take Now:

- Investigate the state's progress on ACA planning and implementation and encourage the use of the A-87 Exception to expand the capability of the new health system to integrate human service systems
- Investigate federal rules and regulations that may be hindering integration efforts
- Open dialogue with federal program officials to determine options and flexibilities in rules change and funding opportunities

D. State and County Issues

Government health and human service systems operate within a political context and are influenced by the philosophical grounding of the different parties and the differing agendas of the governor, legislators, and influential members of the community. The federal Affordable Care Act and its mandates for states have been received and pursued differently in various states, often depending on the political environment. Leaders of the integration initiative will be challenged to find ways to position the integration of health and human services as essential to achieving gubernatorial or legislative priorities, as a business decision to produce positive outcomes and reduce costs to the state, or as a critical opportunity to modernize the largest and most expensive government programs for the 21st century. Support from the governor is critical is navigating the political waters and, conversely, without the governor's support for the investment of time, energy and resources, the integration initiative will be well-challenged to move forward.

Steps to Take Now:

- Educate the governor about the importance of and opportunities available now to begin redesign of the state's human service systems
- Secure support from the governor and key legislators to move forward with integration efforts
- Establish a state-level governing body
- County-administered states should form local (county) level governance structures that are clearly connected to the state governing body, especially those responsible for the day-to-day operational management. In the charter for the state governing body, provisions must be made to include participation by county human service leadership.

E. Technology

The *Governing Body* must understand the technology challenges noted earlier in this document and plan to address the changes that will be needed to modernize the state's human service system to operate in the 21st century. It is especially important for the *Governing Body* to understand the distinction between the basic requirement of *interoperability* and the vision of *integration* of the health and human service systems. The terms *are not* interchangeable.

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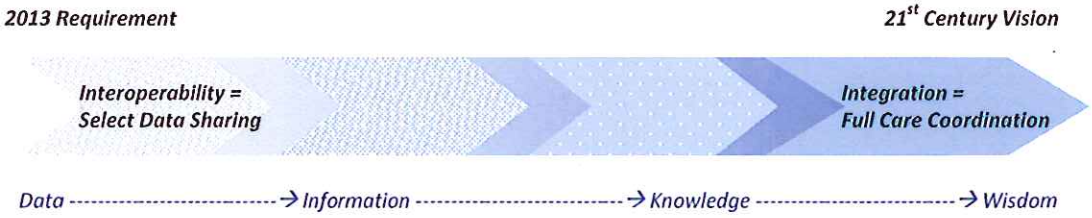
Interoperability versus Integration

Interoperability *is the ability of a computer system to operate reciprocally, that is, to run application programs from different vendors and to interact with other computers across local or wide-area networks regardless of their physical architecture and operating systems. Interoperability is essentially the data exchange capability of modern information technology. The current CMS requirements for implementing new health care systems involve interoperability of eligibility, verification, and enrollment data across systems and the ability to migrate this capability to the human service enterprise as well.*

Integration, *however, is the process of attaining close and seamless coordination between or among systems; in the health and human service context, full integration means a holistic approach to serving each consumer, using the interoperable data exchange to link the people, services, and information across systems and programs for robust care coordination, integrated case planning, timely service delivery, and cross-system relationship management. Integration is the larger vision for 21st century service delivery in government health and human services.*

It may be helpful to think of *interoperability* on one end of a continuum scale and *integration* at the other end. Within that continuum, there is a full spectrum of possibilities to blend, braid, connect, coordinate and integrate programs, services, workforce, administrative functions, funding and more across the entire health and human services enterprise. The *Governing Body* must make decisions about how far along that integration scale the state or locality wishes to go and must plan accordingly.

Interoperability/Integration Continuum



The diagram above describes the transformative nature of going beyond just collecting data to using the information garnered from data analysis to create knowledge that builds the wisdom that enables the modern marketplace experience for consumers of public benefits and services.

Steps to Take Now:

- Assess current human service IT systems for connectivity capability to the Health Insurance Exchange, Medicaid, and CHIP
- Prepare a plan to upgrade technology systems as needed

F. Privacy and Confidentiality

The *Governing Body* must set parameters for maintaining the appropriate levels of privacy and security, but must also recommend changes that may be required. This is one area for which stakeholder participation is critical.

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- Assess the current application of privacy and confidentiality laws within the health care and human service systems for existing aligned procedures and areas where further alignment can occur
- Remove any state-levied restrictions that impede progress toward implementation
- Seek guidance from the federal program agencies regarding remaining federal restrictions and possibilities; seek waivers, if necessary

APPENDICES

Oregon Department of Human Services/Oregon Health Authority
Charter for Joint Policy Steering Committee

Oregon Department of Human Services/Oregon Health Authority
Charter for Joint Operations Steering Committee

Oregon Department of Human Services/Oregon Health Authority
Charter for Medicaid/CHIP Operations Steering Committee

San Diego County (California) Enterprise IT Governance Structure (present and future)

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