Central and Shared Services

Joint Ways and Means Committee
Human Services Subcommittee

April 8, 2015
Jim Scherzinger, DHS Chief Operating Officer
Suzanne Hoffman, OHA Chief Operating Officer
Department of Human Services (DHS)
2015-17 Governor's Budget
Total Fund by Program Area
9.90 billion

DHS Programs, 9.45 billion, 95%
Total Central Services
State Assessments
and Enterprise-wide
Costs*, 450 million, 5%

*excludes 116.7 double counted OF for shared services
Oregon Health Authority (OHA)
2015-17 Governor's Budget
Total Fund by Program Area
18.65 billion

OHA Programs, 18.38 billion, 99%

Total Central Services
State Assessments, debt service and Enterprise-Wide Costs,
270.93 million, 1%

*Excludes $136.7 million double counted OF for Shared Services office
Central, Assessments and Shared Services
Total Funds

### DHS Central, Shared and Assessments Total Funds

- **Shared Services Funding, $166.5, 29%**
- **Treasury Cash Flow Loan Limitation, $30.0, 5%**
- **Debt Service, $10.1, 2%**
- **Central Services, $34.1, 6%**
- **Shared Services, $116.7, 21%**
- **State Assessments and Enterprise-wide Costs, $210.2, 37%**

### OHA Central, Shared and Assessments Total Funds

- **Central Services, $20.7, 5%**
- **Shared Services, $136.7, 34%**
- **Shared Services Funding, $79.0, 19%**
- **Shared Services, $116.7, 21%**
- **Debt Service, $73.7, 18%**
- **State Assessments and Enterprise-wide Costs, $97.5, 24%**

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**GF** | **OF** | **FF** | **TF**
---|---|---|---
$220.2 | $148.9 | $198.5 | $567.6

**GF** | **OF** | **FF** | **TF**
---|---|---|---
$169.5 | $162.2 | $75.9 | $407.6

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DHS Oregon Department of Human Services

Oregon Health Authority
Central, Assessments and Shared Services by Type

DHS Central, Assessments and Shared Services OHA Central, Assessments and Shared Services by Type $450.9 TF

- Central Services, $34.1, 7%
- Shared Services Funding, $79.0, 29%
- State Assessments and Enterprise-wide Costs, $210.2, 47%
- Debt Service, $10.1, 2%
- Treasury Cash Flow Loan Limitation, $30.0, 7%

Excludes $116.7 double counted OF for shared service offices

DHS Central, Assessments and Shared Services OHA Central, Assessments and Shared Services by Type $270.9 TF

- Central Services, $20.7, 8%
- Shared Services Funding, $34.1, 7%
- State Assessments, Debt service and Enterprise-wide Costs, $97.5, 36%
- Debt Service, $73.7, 27%

Excludes $136.7 double counted OF for shared service offices
Central, Assessments and Shared Services by Fund Type

DHS Central, Assessments and Shared Services by Fund Type

- Federal Funds, $198.5, 44%
- General Fund, $220.2, 49%
- Other Funds, $32.2, 7%

Excludes $116.7 double counted OF for shared service offices

OHA Central, Assessments and Shared Services by Fund

- Federal Funds, $75.9, 28%
- General Fund, $169.5, 63%
- Other Funds, $25.5, 9%

Excludes $136.7 double counted OF for shared service offices
OHA and DHS Payments for Shared Services

DHS/OHA Program Funding

$7.9 TF

DHS/OHA Shared Service Funding

$245.5 TF

= $253.4 OF

OHA and DHS Shared Services
Revenue / Expenditure model

Billing allocation

Process now completely automated
## State Assessments and Enterprise-wide Costs

GB Total Funds

<table>
<thead>
<tr>
<th>Internal Charges</th>
<th>DHS</th>
<th>OHA</th>
<th>Total DHS &amp; OHA</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities (includes rent, maintenance &amp; utilities)</td>
<td>114.08</td>
<td>30.22</td>
<td>144.30</td>
<td>21.6%</td>
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<tr>
<td>Debt Service</td>
<td>10.07</td>
<td>73.65</td>
<td>83.72</td>
<td>12.6%</td>
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<tr>
<td>IT Expendable/Break Fix</td>
<td>4.98</td>
<td>2.63</td>
<td>7.61</td>
<td>1.1%</td>
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<tr>
<td>Mass Transit</td>
<td>2.42</td>
<td>2.34</td>
<td>4.76</td>
<td>0.7%</td>
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<tr>
<td>Unemployment</td>
<td>2.44</td>
<td>0.61</td>
<td>3.05</td>
<td>0.5%</td>
</tr>
<tr>
<td>Shared Services Funding</td>
<td>166.48</td>
<td>78.98</td>
<td>245.46</td>
<td>36.8%</td>
</tr>
<tr>
<td>Treasury Loan OF Limitation</td>
<td>30.00</td>
<td>0.00</td>
<td>30.00</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

### State’s Charges:

<table>
<thead>
<tr>
<th></th>
<th>DHS</th>
<th>OHA</th>
<th>Total DHS &amp; OHA</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Data Center</td>
<td>39.84</td>
<td>34.12</td>
<td>73.96</td>
<td>11.1%</td>
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<tr>
<td>Risk Assessment</td>
<td>17.98</td>
<td>7.83</td>
<td>25.82</td>
<td>3.9%</td>
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<tr>
<td>Secretary of State, Audits Division</td>
<td>7.02</td>
<td>6.24</td>
<td>13.26</td>
<td>2.0%</td>
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<tr>
<td>Telecommunications</td>
<td>3.68</td>
<td>2.02</td>
<td>5.70</td>
<td>0.9%</td>
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<tr>
<td>DAS - Chief Financial Office (CFO)</td>
<td>2.42</td>
<td>2.79</td>
<td>5.21</td>
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<tr>
<td>DAS - E-Government Program</td>
<td>0.15</td>
<td>0.08</td>
<td>0.24</td>
<td>0.0%</td>
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<tr>
<td>DAS - Enterprise Security Office</td>
<td>0.42</td>
<td>0.24</td>
<td>0.66</td>
<td>0.1%</td>
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<tr>
<td>DAS - Chief Human Resources Office</td>
<td>3.42</td>
<td>1.90</td>
<td>5.32</td>
<td>0.8%</td>
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<tr>
<td>Enterprise Goods &amp; Services (EGS) - (EGS SFMA/Datamart)</td>
<td>3.35</td>
<td>0.04</td>
<td>3.39</td>
<td>0.5%</td>
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<tr>
<td>Enterprise Goods &amp; Services (EGS) - Procurement</td>
<td>0.29</td>
<td>0.32</td>
<td>0.61</td>
<td>0.1%</td>
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<tr>
<td>Oregon State Library</td>
<td>0.83</td>
<td>0.53</td>
<td>1.36</td>
<td>0.2%</td>
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<tr>
<td>DAS - Chief Operating Office</td>
<td>1.54</td>
<td>0.84</td>
<td>2.38</td>
<td>0.4%</td>
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<tr>
<td>All Others</td>
<td>5.39</td>
<td>4.86</td>
<td>10.25</td>
<td>1.5%</td>
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<tr>
<td><strong>Total</strong></td>
<td>416.82</td>
<td>250.24</td>
<td>667.06</td>
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</table>

Note: IT Break/fix is about ½ funding needed for a 4 year PC replacement lifecycle.
# DHS and OHA Central and Shared Offices (TF in millions)

<table>
<thead>
<tr>
<th>DHS Central</th>
<th>GB</th>
<th>POS</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Director &amp; Policy</td>
<td>$11.4</td>
<td>21</td>
<td>21.00</td>
</tr>
<tr>
<td>Office of Human Resources</td>
<td>$ 6.3</td>
<td>24</td>
<td>24.00</td>
</tr>
<tr>
<td>Budget, Planning Analysis</td>
<td>$ 4.1</td>
<td>16</td>
<td>16.00</td>
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<tr>
<td>Office of Communications</td>
<td>$ 0.6</td>
<td>2</td>
<td>2.00</td>
</tr>
<tr>
<td>Legal/Rules/Legislative Relations</td>
<td>$ 4.2</td>
<td>11</td>
<td>11.00</td>
</tr>
<tr>
<td>Governor's Advocacy Office</td>
<td>$ 1.5</td>
<td>8</td>
<td>7.42</td>
</tr>
<tr>
<td>Office of Equity &amp; Multicultural Services</td>
<td>$ 4.5</td>
<td>8</td>
<td>7.84</td>
</tr>
<tr>
<td>Office of Administrative Hearing</td>
<td>$ 1.5</td>
<td>0</td>
<td>0.00</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>DHS Shared Service</th>
<th>GB</th>
<th>POS</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared Services Administration</td>
<td>$ 1.1</td>
<td>3</td>
<td>3.00</td>
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<tr>
<td>Budget Center</td>
<td>$ 3.1</td>
<td>15</td>
<td>15.00</td>
</tr>
<tr>
<td>Office of Forecasting &amp; Research Analysis</td>
<td>$ 2.7</td>
<td>12</td>
<td>12.00</td>
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<tr>
<td>Office of Financial Services</td>
<td>$25.6</td>
<td>156</td>
<td>151.83</td>
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<tr>
<td>Human Resources Center</td>
<td>$14.9</td>
<td>73</td>
<td>71.00</td>
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<tr>
<td>Facilities Center</td>
<td>$ 4.9</td>
<td>28</td>
<td>28.00</td>
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<tr>
<td>Imaging &amp; Records Management Svcs</td>
<td>$11.2</td>
<td>76</td>
<td>74.29</td>
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<tr>
<td>Office of Contracts &amp; Procurement</td>
<td>$ 9.0</td>
<td>45</td>
<td>44.58</td>
</tr>
<tr>
<td>Office of Adult Abuse Prevention and Investigation</td>
<td>$ 9.5</td>
<td>51</td>
<td>49.13</td>
</tr>
<tr>
<td>Internal Audit and Consulting</td>
<td>$ 2.0</td>
<td>10</td>
<td>9.41</td>
</tr>
<tr>
<td>Office of Payment Accuracy &amp; Recovery</td>
<td>$28.8</td>
<td>185</td>
<td>166.42</td>
</tr>
<tr>
<td>Performance Excellence Office</td>
<td>$ 1.6</td>
<td>6</td>
<td>6.00</td>
</tr>
<tr>
<td>Publication and Design Section</td>
<td>$ 2.3</td>
<td>14</td>
<td>14.00</td>
</tr>
<tr>
<td><strong>Total Central and Shared Services</strong></td>
<td>$150.8</td>
<td>764</td>
<td>733.92</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OHA Central</th>
<th>GB</th>
<th>POS</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Director &amp; Policy</td>
<td>$ 9.9</td>
<td>10</td>
<td>9.58</td>
</tr>
<tr>
<td>Office of Human Resources</td>
<td>$ 5.1</td>
<td>25</td>
<td>24.35</td>
</tr>
<tr>
<td>Budget Planning &amp; Analysis</td>
<td>$ 4.6</td>
<td>23</td>
<td>22.50</td>
</tr>
<tr>
<td>Office of Communications</td>
<td>$ 1.1</td>
<td>5</td>
<td>5.00</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>OHA Shared Service</th>
<th>GB</th>
<th>POS</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Information Services</td>
<td>$133.2</td>
<td>460</td>
<td>452.01</td>
</tr>
<tr>
<td>Information Security and Privacy Office</td>
<td>$ 3.5</td>
<td>9</td>
<td>8.50</td>
</tr>
<tr>
<td><strong>Total Central and Shared Services</strong></td>
<td>$157.4</td>
<td>532</td>
<td>521.94</td>
</tr>
</tbody>
</table>
Governance of Shared Services

Joint Governance Model

**DHS DIRECTOR**
- Executive Leadership
- High-level business representative

**Joint Policy Committee (JPC)**
Members: 6-8 top-level executives from both departments which focus on program policy and strategy (including IT strategy).

**Joint Operations Steering Committee (JOSC)**
Members: 6-8 high-level business representatives from both departments

Subgroups will be established as needed based on business areas.

**OHA DIRECTOR**
- Executive Leadership
- High-level business representative

DHS/OHA Audit Committee
DHS/OHA Cost Allocation Committee
Shared Services Policy Committee

Oregon Department of Human Services
Payment, Accuracy and Recovery (OPAR)

- **Identify overpayments and third-party payers**
  - Data matches
  - Provider audits
  - Referrals from field, audits, reviews

- **Collect overpayments**
  - Providers
  - Clients
  - Third parties
  - Estates

- **Investigate fraud**

  - **Recovery** – funds collected
  - **Cost avoidance** – costs shifted or prevented
  - Largest is shifted to third parties
Financial Services

- Accounts/contracts payable
- Accounts receivable
- Payroll
- Travel reimbursement
- Trusts
- Financial reporting
  - State financial report
  - State budget
  - Grant reporting
- E-commerce
- Receipting
- Cash management
- Cost allocation
- System interface
  - 20 check writing/warrant systems

Accomplishments
- DHS and OHA Gold Star
- New travel system
- $200,000 credit card rebate

DHS
Oregon Department of Human Services

Oregon Health Authority
Human Resources Central

• **Background Check Unit**
  - Determine employment fitness
    • DHS and OHA employees
    • Providers and their employees
  - 146,000 annual determinations
  - 25% require fingerprinting
    • National record check
    • $40+ fee to State Police, FBI
  - Appeals
  - DHS/OHA pay all costs

• **Workforce services**
  - 13,000 Employee records
  - Leave

• **Safety/Business continuity**

• **Employee development**
  - Core values
  - Cultural competency
  - New employee/manager
  - Leadership
Background Check Unit (BCU)

Increased Workload Due to Complexity

- Fitness determinations to BCU
  - 2012
- New federally required national checks
  - Excluded Medicaid providers
    - 120+ lists, half are manual
    - Begins 2015
  - All child care providers
    - Currently 5.7% require FBI checks
    - Begins 2017
  - More under consideration
- Determinations using out-of-state history more difficult
- 6-7% annual increase in checks
- Stricter Criminal Justice Information Services security requirements

Consequences of slow checks
  - Delayed hiring
  - Delayed employment
  - Delayed services
Background Check Unit (BCU)

Performance Increases to Date

- **Improved technology**
  - Working with State Police
- **Continuous improvement events**
  - RPI with Child Care Unit
  - Other events
- **Temporary resources**
  - Overtime
  - 6 all-staff day-long events
- **Ready-to-work registry**
  - January 2015 for long term care
- **Increased output**
  - From 248 to 501 checks per month

Options

- Further process improvements
- Charge fee for all or part of costs
- Budget increase (staff and fees)
Imaging and Records Management (IRMS)

Functions

• Convert paper applications to electronic
  – Key punch
  – Character recognition
• Install and support electronic workflow for programs

Benefits

• Electronic records up 40%
• Programs use of workflow up 25%
• Records processed in one day
• Documents available statewide

Issue

• More people than positions
  – Inefficient to shift work to program
  – In long run, goal to automate eligibility
Contracts and Procurement

• Coordinate purchasing of goods
• Prepare and issue solicitations
• Prepare and execute contracts and governmental agreements
• Oversight of program contracts
• Training
• Contract maintenance
• 8,922 contract actions per biennium
• $10+ billion in contracts

Median processing days
All actions

- Managed Care Agreement: 112 days
- Business Associate Agreement: 106 days
- International Agreement: 58 days
- Inter-State Agreement: 47 days
- Federal Agreement: 42 days
- Special Procurement Agreement: 40 days
- Intergovernmental Agreement: 37 days
- Work Order Contracts: 31 days
- Grants: 29 days
- Lease Agreements: 29 days
- Personal Services: 27 days
- Trade Services: 24 days
Adult Abuse Prevention and Investigations

What is Adult Abuse?

- Physical harm or injury
- Verbal/emotional abuse
- Financial Exploitation
- Involuntary seclusion
- Self-neglect

Financial Exploitation Data:
- Statewide # 1-855-503-SAFE

Adult Protective Services

- Investigators are located in your communities across Oregon.
- Meet with consumers in their own homes and in various licensed settings.
- They are on the front line to ensure:
  - Safety
  - Protection
  - Choice
Safety and Protection: Adult Protective Services Outcomes

2013

10,625 New Allegations
March '13: 134: Avg. # Late Cases
March '13: 20.5 Late Cases per Investigator

2014

11,681 New Allegations
March '14: 67: Avg. # Late Cases
March '14: 9.1 Late Cases per Investigator

+10% increase
43% reduction
44% reduction
Other Shared Services

Budget Center
• Technical support for budget process
  – Position control (PICS)
  – Budget (ORBITS)

Facilities
• Property leasing and management
  – 3 million sq. ft. leased (180 locations)
  – New statewide brokerage process
  – Maintenance and improvements
  – Payments and accounting
• Vehicle usage coordination
  – 1425 vehicles
• Relocation, move management

Forecasting & Research Analysis
• Client caseload forecasts
  – Critical budget driver
  – Forecast advisory committees
• Cross-program analysis

Publications and Design
• Desk top publishing
• Accessibility
  – Translations
  – Alternate formats

Performance Excellence
• Repurposed to support critical needs
• Budget reduced by XX% since 2007

Internal Audit and Consulting
• Internal audits
• Coordination of external audits
• Consultations and risk management

Administration
DHS GB Investments in Central and Shared

1. Central Services includes the REaL-D project for DHS to improve race, ethnicity, language and disability information in accordance with HB 2134 (2013). ($0.74 GF $1.74 TF 3 pos / 2.84 FTE) (Funding assumes $1.0 million of Q-Bonds.)

2. TANF Investigator POP in Shared budget (OPAR) – Currently, OPAR’s client fraud investigators have caseloads in excess of 300 cases each. This investment would add resources to dispose of backlogged work and increase safety to workers who often work in clients homes and would expand capacity for utilizing new data mining and GIS fraud identification techniques. Funded in SAEC. ($0.84 GF $1.65 TF) In Shared ($1.314 OF and 22 pos / 9.24 FTE.)

3. An investment in two other IT projects will be included in the presentation of Shared OIS tomorrow. These are the Non-MAGI Eligibility Automation project ($0.75 GF and $7.5 TF) and the Adult Protective Services IT system ($1.7 GF and assumes $3.3 million of Q-Bonds - $4.7million TF)
Questions?