Michael R. Pence, Governor
State of Indiana

Indiana Family and Social Services Administration
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August 15, 2016

Family and Social Services Administration – FY18-19 Overview

This letter accompanies the budget submission of the Family and Social Services Administration (FSSA) for the FY18-19 biennium.

FSSA Vision:

To become a high performance, integrated and interdependent agency, leveraging its resources across the continuum of services we provide in order to reliably and consistently serve our customers while acting as astute stewards of the state and federal money provided to us.

FSSA facilitates the delivery of health and human services to one of every six Hoosiers through a variety of programs and funding sources. The financial strategy of the agency leverages state General Fund appropriations with matching federal funds to improve and expand services to eligible Indiana citizens in need.

FY18-19 Budget Overview

FSSA is organized into six care divisions plus administrative support:

- Care divisions
  - Office of Medicaid Policy and Planning
  - Division of Disability and Rehabilitative Services
  - Division of Aging
  - Division of Family Resources
  - Division of Mental Health and Addiction
  - Office of Early Childhood and Out of School Learning
- Administrative support functions
  - Executive office
  - General Counsel
  - Communications
  - Technology services
  - Quality and Compliance Office
  - Contract management
  - Financial and accounting
  - Audit

Office of Medicaid Policy and Planning (OMPP)

OMPP Mission Statement:

To provide leadership, creative and strategic planning, and implementation of health programs that provide access to services for eligible individuals and that influence positive outcomes for over one (1) million Hoosiers.

To accomplish the mission, OMPP follows these three guiding principles: members first, fiscal stewardship and consistency across the Medicaid system, including policy, operations, new program design, and implementation.

OMPP accomplishments in the FY16-17 biennium

1. HIP 2.0 Rollout

- OMPP played a large role in the successful implementation of HIP 2.0. This was accomplished by working collaboratively with other divisions of FSSA, other state agencies, and stakeholders to ensure a successful start to the program. In the first 12 months of its implementation, 375,000 Hoosiers enrolled in the program, including 200,000 who were previously uninsured due to not having an affordable coverage option. About 70% made required contributions and were enrolled in HIP Plus. Evaluation of the program's first year showed those in HIP Plus were more engaged in the program and their health, received more preventive services, had fewer emergency room visits, adhered more closely to pharmaceutical guidelines, and had higher satisfaction with the program. Increased provider reimbursement rates in both HIP and traditional Medicaid, in coordination with the expanded coverage, resulted in 5,300 new health care providers joining the program.

2. Hoosier Care Connect Rollout

- On April 1, 2015, OMPP implemented the Hoosier Care Connect program, a managed care program for 100,000 aged, blind, and disabled Hoosiers who are enrolled in the state's Medicaid program.. This program is Indiana's first attempt at managed care for more complex populations, and could be expanded in the future. The program had a successful launch, with minimal disruptions in patient care, and significant consumer protections afforded to this population.

3. **HIP and Hoosier Healthwise Managed Care Program Re-procurement**

- OMPP conducted a re-procurement of the Healthy Indiana Plan and Hoosier Healthwise program contracts from mid-2015 through mid-2016. This was a six-year procurement for providing services to one million Hoosiers, with a combined contract value of $3 billion annually. OMPP conducted a thorough analysis of the performance of its managed care programs in preparation for the procurement, and added significant contract elements to drive better quality performance, program integrity, and the inclusion of pharmacy and dental benefits. Anthem, CareSource, MDwise and Managed Health Services were selected to contract with the State starting January 1, 2017.

4. **Managed Care Reforms**

- The Office of Medicaid Policy and Planning implemented several operational reforms to all three managed care programs. Pharmacy and dental services were included in the comprehensive contracts, allowing for better coordination of services across the continuum of care for members. A 14-day waiting period in traditional fee-for-service Medicaid for those not selecting a health plan on the application was eliminated to get members into coordinated care sooner. This is particularly advantageous for pregnant women to receive vital prenatal care visits. Payment for out-of-network claims were capped to encourage providers to contract with the MCEs and limit exposure to high cost claims for taxpayers. Nurse practitioners were added as primary care providers eligible to be the patient's assigned primary medical provider.

5. **Early Elective Delivery Nonpayment Policy**

- OMPP established a new Medicaid policy to deny payment for elective deliveries prior to 39 weeks, helping to reduce infant mortality rates in the state from preventable preterm births.

6. **End Stage Renal Disease Program (ESRD)**

- OMPP developed a new ESRD program for 500 individuals who lost coverage as part of the 2014 Medicaid disability eligibility changes and would lose their place on the kidney transplant list as a result.

7. **Established Gold Card Program**

- In response to the statewide opioid epidemic and at the request of the Governor's Task Force on Drug Enforcement, Prevention and Treatment, OMPP implemented the Gold

Card Program for Suboxone and Subutex prescribing. This program allows physicians with a history of good prescribing practices to bypass the prior authorization requirement, thus removing an administrative burden to get individuals with opioid dependence onto medication assisted treatment sooner.

8. Paperwork Reduction and Form Simplification

- OMPP revised the inpatient psychiatric authorization form to reduce the form from four pages to two and created electronic submission capability for providers.

9. Transparency Initiative

- OMPP has advanced efforts in state government accountability and transparency initiatives by posting more information on its public website, including monthly enrollment reports, state plan amendment descriptions, and information relating to the Medicaid Advisory Committee.

http://www.in.gov/fssa/ompp/4597.htm

10. DOC Collaboration

- FSSA entered into an MOU with the Indiana Department of Corrections (DOC) to provide Medicaid coverage to prisoners when they receive services outside DOC and would otherwise be eligible for Medicaid but for their incarceration. This program has saved DOC an estimated $2.3 million in the first year. FSSA has also streamlined the eligibility and enrollment process to allow DOC and counties to enroll prisoners into Medicaid upon release, getting them immediate access to important health services and medications to reduce recidivism.

11. APR-DRG Conversion

- OMPP implemented a new hospital payment system concurrent with ICD-10 implementation on October 1, 2015.

12. Psychosocial Rehabilitation Service Restoration

- Through collaboration with the Division of Mental Health and Addiction (DMHA), OMPP redesigned the psychosocial rehabilitation program for individuals with a serious mental illness to receive the support they need to remain and become productive members in their communities. This revamped program addresses concerns with program integrity and billing observed by the providers before Medicaid suspended reimbursement for this service in 2010. The new program is pending approval by CMS,

and is expected to begin in October 2016. The total cost of this program is about $3 million each year, with the state share being paid by the community mental health centers Medicaid Rehabilitation Option funding.

OMPP significant initiatives for FY18-19

1. **Opioid Dependence Initiatives**

- OMPP, working with DMHA, the Attorney General's Task Force on Prescription Drug Abuse, and various stakeholders, has identified six key Medicaid policy changes to aid in the State's response to opioid and heroin addiction.

2. **New Medicaid Management Information System (MMIS)**

- Indiana Medicaid will transition to a new MMIS system which will improve key operational functions of the Medicaid program including claims payment, provider enrollment, and allowing for changes in policy to be implemented in the system more rapidly. The new system will include key automations for providers and allow for more electronic transfer of documents instead of fax or paper transmission.

3. **Medicaid Payment and Delivery System Reform**

- OMPP and other state parties are in the beginning stages of studying alternative payment systems that would pay health care providers based on the quality of outcomes instead of episodes of care. State Medicaid programs are leading efforts nationwide to move health care payment and delivery to value based purchasing. This initiative will build on lessons learned from other states and will engage a wide range of stakeholders in reforming health care delivery in Medicaid and may include other payers. Home health will be the first area of payment reform. The agency is also considering an ACO pilot model for fee-for-service Medicaid members.

4. **Centralized Credentialing Verification Organization**

- Indiana Medicaid will conduct a procurement for a vendor to manage the enrollment and credentialing of healthcare providers on behalf of traditional fee-for-service Medicaid and all contracted managed care entities. This will streamline the process for providers and reduce the administrative burden as well as the time to credential with each entity separately, as is done today. The service is expected to start on April 1, 2017.

5. **Non-Emergency Medical Transportation Broker**

- OMPP will conduct a procurement for a vendor to manage non-emergency medical transportation for the 300,000 traditional Medicaid fee-for-service members. The broker will better monitor the integrity of the service providers, help members schedule transportation, recruit more providers to participate, and may save taxpayer dollars. This service is expected to start on January 1, 2018.

6. **Medicaid Managed Care Regulation Compliance**

- The federal government issued a 1,425 page regulation in May 2016 with new requirements for states to monitor and oversee Medicaid managed care contracts. The regulation impacts all areas of managed care programs and places significant new burdens on states to demonstrate compliance. The provisions phase in over a three-year period. The federal government has issued three additional significant Medicaid regulations in the final year of the Obama Administration, all of which require implementation in 2017 and 2018.

7. **HCBS (Home and Community Based Services) Rule**

- Due to federal requirements, all states must phase in compliance with a new HCBS federal regulation issued in January 2014 that establishes new requirements for HCBS waiver programs to promote community living in the most integrated setting. States must demonstrate compliance with this rule by 2019. The rule will likely have a significant business impact on the HCBS provider community, including assisted living facilities and intellectual and developmentally disabled service providers.

Division of Disability and Rehabilitative Services (DDRS)

DDRS mission statement:

To develop, finance, and compassionately administer programs to provide healthcare and other social services to Hoosiers in need in order to enable them to achieve healthy, self-sufficient, and productive lives.

DDRS's vision is guided by principles of self-advocacy and self-direction, quality integration through quality outcomes, and work first as key to a meaningful day. The Division facilitates the delivery of support services to children under the age of three with learning delays and disabilities, individuals with cognitive disabilities, the blind and visually impaired, the deaf and hard of hearing, and those who benefit from vocational rehabilitation services.

DDRS is responsible for the oversight of four bureaus:

- Bureau of Rehabilitation Services (BRS)
- Bureau of Developmental Disabilities (BDDS)
- Bureau of Child Development Services (First Steps)
- Bureau of Quality Improvement Services (BQIS)

DDRS changed leadership in March of 2016. The new leadership is focused on thoughtfully implementing significant federal legislation to improve the lives of Hoosiers with disabilities. The Workforce Innovation and Opportunity Act (WIOA) and CMS' Home and Community Based Setting rule are watershed legislation that have positive programmatic impacts which will require planning, collaboration, education, training, and thoughtful implementation over the next several years. DDRS is using the Life Course Framework to establish a common vision for building a flexible and sustainable model of services and supports for Hoosiers with disabilities, with particular emphasis on individuals with intellectual and developmental disabilities. The Life Course Framework is rooted in the family support movement with a focus on empowering individuals and their families to support, nurture, love, and facilitate opportunities for the achievement of self-determination, interdependence, productivity, integration, and inclusion in all facets of community life. DDRS will continue to build key relationships with stakeholders, families and consumers, as well as ensure cross collaboration between other agencies (i.e., Department of Workforce Development, Department of Child Services, Governor's Council for People with Disabilities, Indiana Disability Rights, and other Divisions within FSSA).

DDRS accomplishments in the FY16-17 biennium

1. Bureau of Rehabilitation Services (BRS)

BRS has made significant strides toward building capacity in the Vocational Rehabilitation (VR) program to improve both the quality and timeliness of services to job seekers with disabilities; however, additional capacity building strategies are needed. BRS has also been working to implement several, significant new requirements and changes resulting from the signing of the Workforce Innovation and Opportunity Act (WIOA) into law. Major BRS accomplishments for the 16-17 biennium are briefly described below:

- Increasing VR staff capacity through the addition of VR case coordinators to assist with the case management and fiscal management of VR cases. Itinerant VR

counselors to assist with covering vacant caseloads across the state, and a manager of strategic initiatives to provide technical assistance to staff on specialty services such as home modifications, vehicle modifications, and small business enterprise.

- Beginning phases of implementing new requirements under WIOA including contracting with employment service providers to carry out pre-employment transition services (PETS) to students age 14-22 with disabilities. They also include working toward spending 15% of VR federal grant funds on PETS as required under WIOA. BRS also collaborated with Department of Workforce Development (DWD) to submit a Unified State Plan in April 2016. Submitting a Unified State Plan is another new requirement under WIOA and this requirement replaces the state plan requirement that each program previously submitted separately.

- BRS is implementing significant modifications to VR employment services including: increased expectations, a revised rate structure, individualized and consumer-centric services, and increasing access to supports and services that job seekers need to achieve high quality employment outcomes, including those with the most significant disabilities.

- BRS improved education of BRS programs through the utilization of social media and videos, including videos presented in American Sign Language.

- BRS is working toward increased profitability for the Business Enterprise Program licensed blind vendors, by developing credit card payment options on vending machines.

2. Bureau of Developmental Disabilities Services (BDDS)

BDDS has had many accomplishments in the last year from a programmatic and cultural standpoint. Major BDDS accomplishments for 2016-2017 are listed below:

- During SFY 2016 BDDS had successfully transitioned 2,612 individuals who were on the waitlist for BDDS services into the Family Supports Waiver (FSW). Additionally, 732 individuals have transitioned into the Community Integration and Habilitation (CIH) Waiver.

- BDDS has been working with two contractors, identified through an RFP process, to develop strategies on how to best assist individuals who have been in sheltered workshops to find competitive employment in the community. The goal of this project is to develop a road map for statewide utilization on the best methods of transitioning individuals from a sub-minimum wage, non-community based programs to an integrated employment setting paying at or above minimum wage. Both

contractors have had success in developing internship opportunities for individuals in medical, logistics and food service settings in the community. As of April of 2016, 18 individuals have been placed in competitive community employment.

3. Bureau of Child Development Services (First Steps):

First Steps is Indiana's early intervention program. This program serves Indiana's youngest children from birth up to age three who are experiencing developmental delays or those who have a medical diagnosis which is likely to lead to a developmental delay. This program provides support to the family and child in an effort to reduce future costs of education and care. Major First Steps accomplishments for 2016-2017 are listed below:

- First Steps has taken great strides to increase the quality of services provided to infants and toddlers in Indiana over the last year. One major programmatic change was the utilization of the procurement process through the Indiana Department of Administration (IDOA) to receive bids for the System Point of Entry (SPOEs).

- First Steps has also begun building more collaborative relationships with other state agencies. Discussions with the Indiana Department of Education (IDOE) have begun to significantly change the referral and evaluation process that occurs for toddlers who are 24 months or older. This collaboration has the potential to serve families in a more comprehensive manner as well as save funds expended towards the evaluation of these toddlers.

4. Bureau of Quality Improvement Services (BQIS):

Much of BQIS's work centers on the ability to produce clean data related to incident reports. This has allowed BQIS to enhance current operations and develop new initiatives to support quality assurance and quality improvement.

- Historically BQIS has collected incident report data for Indiana's HCBS waiver consumers; however, that data has always included required reportable incidents as well as non-reportable incidents. The challenge with this was that until 2015, BQIS had no mechanism for separating reportable incidents from non-reportable incidents, and as a result, meaningful data analysis was not possible. Through an in-depth review of the existing reporting system, a process was identified that would allow BQIS to separate non-reportable data from the incident reports, and as of January 1, 2015, BQIS now has "clean" data for all incident reports. This has cleared the way for identification of systemic issues and data trends and was the precursor to BQIS' Data Driven Review process.

- BQIS developed the Quarterly Quality Data Review process. Each quarter BQIS compiles all reportable incident data, analyzes the results and looks at trends, patterns and systemic areas of concern. This information is shared with leadership and stakeholder groups to identify strategies for improvement and technical assistance for providers in order to improve the health, safety, and welfare of the individuals served by BDDS.

- By maintaining "clean" incident data, BQIS was able to identify large-scale systemic challenges facing providers. The Data Driven Review process, a quality improvement initiative that took the large-scale systemic issue (e.g. medication errors), used the clean incident data to identify potentially struggling providers, and worked with them in conducting a root cause analysis and quality improvement plan to address areas of deficiency. BQIS will use ongoing incident report data to track progress of the large scale issue and identify other areas of focus as the initiative continues.

DDRS significant initiatives for FY18-19

1. **Bureau of Rehabilitation Services (BRS)**

- Over the next two years, BRS will be working toward implementation of a new VR Case Management System to replace the current system, IRIS, which is no longer fully meeting the program's needs due to outdated technology and being Citrix-based. A Request for Information (RFI) is expected to be released July 2016 to procure a vendor to work closely with BRS in implementing a new system. Additionally, an RFP was released in June 2016 to procure a solution for a VR claims payment system and fiscal services to increase efficiency with VR case service billing process and improve timeliness in payments to VR vendors.

- The BRS will work to implement additional WIOA requirements such as new restrictions on sub-minimum wage employment, further expansion of PETS to comply with the set-aside requirement of spending 15% of federal dollars on these services to students with disabilities, and additional modifications to VR services, policies, data collection, and federal reporting requirements.

- The BRS will also continue to implement strategies to improve service provision to job seekers with disabilities, and also improve staff retention. The BRS will work closely with the State Personnel Department on identifying and implementing these strategies.

- The BRS continues to monitor the VR employment service revisions, implemented July 2015, to evaluate the success of the new model in terms of improving the quality of

services and outcomes, increasing focus on individualization, and increasing access to supported employment services for individuals with the most significant disabilities. The BRS is working with contractors to evaluate the employment service revisions and will use this information to continue to revise and refine the model. The BRS has also invested in training and technical assistance to VR employment service providers to assist providers in meeting the increased expectations required under the new model.

- The Indiana State Independent Living Council, in partnership with the Centers for Independent Living (CIL), are developing a plan for CIL expansion with the goal of statewide coverage.

2. **Bureau of Developmental Disabilities (BDDS):**

- In January 2014, the Centers for Medicare & Medicaid Services (CMS) announced a requirement for states to review and evaluate current Home and Community Based Services (HCBS) settings, including residential and nonresidential settings, and to demonstrate how HCBS waivers comply with the new federal HCBS rules. This is a key issue for BDDS as the rule for HCBS will require a large amount of effort over the next 3 years in order to bring Indiana into compliance. Assessment of the fiscal needs of the program continue in order to determine what spending increase may occur as a result of this rule. There are many requirements that likely result in significant fiscal impacts. These impacts include providing day programming in a community based setting vs. a facility based setting, requirements around Person Centered Planning (PCP), ensuring a common format is utilized, and ensuring the choice of housing, roommate, services etc. BDDS will be redesigning the 1915(c) waivers, currently being administered for individuals with intellectual and developmental disabilities, in order to align services and supports to the federal HCBS rules and establish a revised objective based allocation method to reflect participants' individualized needs. In conjunction, BDDS is completing a 460 IAC "clean-up" in order to be compliant with HCBS and reflect current practices. Finally as it relates to HCBS, BDDS is re-evaluating its person-centered planning process and plans to strategically implement improvements that will impact the individuals, case management, staff, and providers.

- In order to meet CMS compliance for state waiver submissions, BDDS will also begin the process of establishing documented and defined rate methodologies for the services defined and proposed on any new or existing waiver services. CMS requires any rate changes, including rate increases for services, to be presented and defined in waiver amendments, including the rate methodology, which must take into account the actual cost of the service being delivered.

- BDDS will begin to evaluate local district offices, regional staffing needs and structure to prepare for and respond to new Department of Labor standards impacting staff work time in the district offices. Individuals supported by BDDS occasionally encounter health and safety concerns that present an immediate need for response, regardless of work hours or staff schedules.

- To improve the process for individuals who are transitioning out of nursing facilities, BDDS proposes a transfer of this function to the local district staff to coordinate and complete. This change will be an effort to bring consistency and improved timelines for effectively identifying and placing individuals with intellectual and developmental disabilities into less restrictive settings offered through BDDS services.

- BDDS will also be transitioning one of our existing data systems in 2017 to a web-based platform. This change is expected to improve functionality, programmatic controls, and system capacity.

- In addition, BDDS will move to an enhanced Preadmission Screening and Resident Review (PASRR) level 2 process to more effectively review and screen individuals with intellectual and developmental disabilities before nursing facility placement.

3. Bureau of Child Development Services (First Steps):

- Over the past year, First Steps was charged with implementing a state systemic improvement plan (SSIP). This SSIP is a 5 year plan that addresses outcome improvements for a targeted group of children within the First Steps system. First Steps will be working to improve the social and emotional outcomes for African American children who are living in homes experiencing poverty. Implementation of the SSIP will include training for all 1,500 providers, First Steps intake offices, and referral and community partners.

- First Steps, like many social service programs, has experienced significant turnover with providers. Turnover in staff has been quite challenging for the program as families are experiencing many changes in providers and agencies are struggling to maintain consistency. The training of providers is not sufficient for meeting the federal requirements and we have seen an increase in concerns and complaints. The program acknowledges that a priority for the coming year should be placed on coordinating with other programs to recruit providers and identify training opportunities. Initial collaborative opportunities have been initiated with the Division of Early Childhood and

Out of School Learning (ECOSL).First Steps has also joined the Early Learning Advisory Committee (ELAC) subcommittees to gain training and resources.

4. Bureau of Quality Improvement Services (BQIS):

- BQIS will continue to monitor and maintain the significant program changes related to the program and BDDS consumers. The data driven review process will be expanded to include additional data points to identify systemic challenges and assist providers in a quality improvement plan to address areas of deficiency identified through the root cause analysis.

- Since the addition of the current Director of BQIS in early 2014, substantial effort has been placed in removing program redundancy and optimizing efficiency while maintaining excellence.

Division of Aging (DA)

The mission of FSSA is to develop, finance and compassionately administer programs to provide healthcare and other social services to Hoosiers in need in order to enable them to achieve healthy, self-sufficient, and productive lives. Within the Division of Aging this means that we are committed to promoting strategies and programs that provide older Hoosiers with choices in the long term supports they need to safely live as independently as possible within their communities and families. We seek to be responsible stewards of the public resources that have been entrusted to us to achieve these objectives.

The DA seeks to meet the needs of a rapidly growing senior demographic by transforming the long term care paradigm into a system that is easily accessible and that empowers individuals with the knowledge they need to make informed decisions about long term supports for themselves or their loved ones.

The DA administers state and federal programs that serve seniors, including programmatic administration of two Medicaid waivers. This is largely accomplished through strategic leadership and collaboration with Indiana's Area Agencies on Aging. We collaborate with other FSSA divisions and external stakeholders on a range of policy initiatives that impact the lives and healthcare of older Hoosiers, as well as those with physical disabilities.

Division of Aging Accomplishments in the FY16-17 biennium

- **Preadmission Screening and Resident Review (PASRR) Transformation**

  - Senate Enrolled Act 265 (2015) provided the DA with an opportunity to completely transform the State's outdated preadmission screening process. During SFY 2016, the division worked with representatives of the State's hospitals and nursing facilities and AAAs to create consensus about the replacement for this cumbersome and expensive process, built on the requirements of the CMS PASRR requirements. The DA contracted with Ascend Management Innovations to implement their assessment and tracking systems that went into operation on July 1, 2016. This involved a complete system and business process development initiative and then a communications and training plan for approximately 4,000 people statewide. The new system uses reliable and validated assessment instruments and relies on both automated algorithms and a cohesive clinical review team for the assessment and approvals in this process which helps to ensure consistency and objectivity. The costs for individual level 1 assessments were reduced from $20 each to $5.95. Additionally, the costs for clinical reviews went from about $120 to $35. Turnaround time was dramatically reduced with about 2/3 of the submissions receiving immediate approval and clinical screenings completed in six business hours. This reduces delays in hospital discharge processes for persons going into nursing homes.

- **Area Agencies on Aging/Aging & Disability Resource Centers (ADRCs)**

  - The AAAs are required to update and submit their Area Plans to the DA every two years with SFY 2015 being a submission year. For this process, the DA updated the planning template in order to support Division goals and objectives. In addition to requiring each AAA to outline goals and measures for their local programs, the new planning template requires them to make projections about services and cost allocations. The DA has used these to develop grant agreement deliverables, performance measures for the AAAs, and to create greater alignment and accountability for cost allocation and spending plans. This will also make the data submitted to the Administration for Community Living (ACL) more accurate.

  - AAA grant agreements have been amended to make fund utilization more consistent among AAAs and to increase internal controls by requiring reporting on cost allocation plans. These grant agreements now clearly state penalties for non-compliance.

  - New contracts are being implemented with the ADRCs to reimburse them for activities they perform as the entry point for Medicaid HCBS and to increase the speed with which waiver intake and assessment activities are occurring. The contract defines service expectations for pay points, quality and timelines, and incentives are built in to meet

those expectations. The DA has already begun to see timelines decrease in some parts of the State.

- **Money Follows the Person (MFP)**

  - The DA has taken steps over the last four years to revitalize the MFP program and to ensure that it becomes a way to develop a sustainable, long term approach to transitioning people back into their homes or the community from nursing facility placements. This has involved making key changes because this program is now being contracted with the ADRCs through a new "hub" system, Referrals for MFP have increased dramatically after the DA announced this was moving to the ADRCs and due to encouraged transitions to the community using the A&D waiver.

  - The AD submitted a revised budget for the last four years of MFP (2016-2020) with substantially increased transition targets to CMS in late 2015. It was discovered in March 2015 that the DA was going to experience a decrease in funding and as a result, we have recently presented an updated revised sustainability plan and budget to CMS, requesting to use the funds to invest in building transition service systems and use our A&D waiver for ongoing services.

- **No Wrong Door**

  - In SFY 2015, the DA received a planning grant from the Administration for Community Living to create a three year plan for the implementation of a No Wrong Door System of access to information about long term services and supports. The DA is finalizing this plan for submission to ACL in September 2016. Some elements of this plan are already in development or in place.

  - With the help of the agency's contracted public relations firm, we have established a new statewide brand identification for the sixteen AAAs throughout the state. This network is being rebranded as the INconnect Alliance. These AAAs retain their local identification, but are now identified as members of this new alliance. This provides us with an opportunity to create an education and awareness campaign within the healthcare and social service world to support referrals and ensure that people are able to find the resources they need when they need them. The internal launch of this new brand took place in May 2016. Brand standards and media training will take place in September 2016. Following this, there will be a public awareness campaign involving co-branded billboards, social media and online advertising, and detailing with physicians and hospital staffs. This will begin roughly around November or December of 2016.

- The DA partnered with Indiana Interactive to develop a website – inconnectalliance.org – that is the "virtual" 17th ADRC. This site is intended to provide consumers with information they need to answer basic questions about long term services and support and identify resources throughout the state to meet needs. For more complex needs, the website will support connecting individuals directly with the ADRCs where they can undergo more intensive options counseling. There will be an 800# that supports this as well. We have collaborated as well on the development and implementation of a related FSSA consumer focused portal that is intended to simplify and streamline how people access information about FSSA programs and services.

- **Medicaid Home and Community Based Services (HCBS) Transformation.**

  Home and Community Based Services are Medicaid programs that help members work and become active members in their communities by providing alternative supports and services to institutional care.

  - We have continued to keep the Aged & Disabled Waiver free from waitlists for the past three years. Since July 2013, waiver enrollment has grown from 11,041 to 14,174, an increase of 28.38%, while nursing facility residents enrolled in Medicaid declined by 3.15%.

  - In collaboration with OMPP, the DA hosted a Medicaid Rebalancing Forum at the University of Indianapolis in December 2015 to announce our commitment to transforming Medicaid to support increased utilization of home and community based services that are generally more cost-effective and align with people's preferences for how they wish to receive care. The DA has developed a strategic framework (the "pyramid") to guide our efforts in this arena.

  - The DA is required to bring the A&D and TBI waivers into full compliance with the CMS Home and Community Based Services Rule, issued in March 2014, by March 2019. During SFY 2015 and 2016, the DA has conducted an extensive systematic and site specific assessment of services that are impacted by this rule, including assisted living, adult family care, and adult day care, and is finalizing a plan for stakeholder engagement in the next two years to fully transition these services into compliance with the HCBS requirements.

- **Turnaround Time Improvements**

  - Despite continually increasing enrollment, the waiver team has continued to significantly decrease the turnaround time associated with the submission and approval of care plans

for waiver enrollees. The average time has decreased from 6 1/2 days in SFY 2015 to less than 5 days at the end of SFY 2016.

- While 450B timelines had dropped in SFY 2015 to about 35 days, during SFY 16, on many occasions the team was processing these on the same day of submission.

- These gains have been made with no additional dedicated staffing, despite the increased volume. The Medicaid HCBS Director developed and implemented a culture of "ACE" ("Accuracy, Consistency, and Efficiency") that has led to continuous productivity and quality gains. The ACE culture was also applied to the team of individuals who processed e450Bs, the process which allows nursing facilities to begin to bill Medicaid for their residents' services. Additionally, the Medicaid HCBS Director and the 450B Manager collaborated to cross-train their team members, allowing us to shift capacity based on staffing, volume, or other priorities.

- **InterRAI Implementation**

  - In July 2016, the DA licensed and implemented a new evidence-based assessment instrument, the InterRAI Home Care tool. This instrument replaces the 30 year old, homegrown eligibility screen tool and will increase both the accuracy and objectivity of case manager level of care assessments, but also builds a foundation for future person-centered planning and assessment.

- **Adult Protective Services (APS)**

  - DA staff collaborated with APS directors in SFY 2015-2016 to develop a standard operating procedures manual to guide investigative practice and increase consistency among the 18 APS hubs. The statute requires the concurrence of the Indiana Prosecuting Attorneys Council (IPAC) which was sent to IPAC for review in December 2015. The DA is still waiting to receive IPAC's review of the policy.

  - The APS team updated the process by which APS hotline calls are routed to APS units. Rather than simply referring callers to call the local APS hubs on their own, which risks losing the caller, these calls are now input by an intake staff in the DA who directly inputs the calls into the APS database and triggers an electronic notification to the local APS unit to follow up on that call for service. This improves our ability to collect data at the Hotline level as well.

  - Per Senate Enrolled Act 192 (2016), The DA is conducting meetings with IPAC and external stakeholders to gather input for the report that is due to the General Assembly in December 2016.

- The DA transferred $900,000 to APS in SFY 2016-2017 to augment funding shortfalls; an additional $1.1M was transferred from FSSA funds in SFY 2017 to allow each unit to hire an additional investigator.

- **State Long Term Care Ombudsman**

  - New federal regulations around the Ombudsman program became effective July 1, 2016. The newly appointed SLTCO has written the first policy manual for this program. This manual supports requirements of the new federal rules, clarifies the relationship between the director of the state program and the ombudsmen at the local level, and establishes consistent definitions of terms and operating procedures for use statewide. The AAA grants for APS were updated as well to clarify limits on how OAA Title VII funds and matching Title III funds are to be used in the Ombudsman program.

- **Data & Analytics**

  - The DA is working with FSSA Data & Analytics group to develop a DA "Data Mart" within the Enterprise Data Warehouse. Work is ongoing to identify desired measurements, required data, and its sources. The first iteration should be in place by October 2016 and the first phase is focused on enabling the DA to measure risk of institutionalization for program participants. Additional phases will be built to aid in measuring quality outcomes and utilization trends. The DA is currently participating in a CMS Innovation Acceleration Program around incentivizing quality in hopes of utilizing this information in rate methodology.

Division of Aging Significant Initiatives for FY 18-19

1. **HCBS Rule**

   - Complete transition activities associated with the CMS HCBS Rule by March 2019. This will require some minor statutory changes, extensive administrative rule revisions, and an overhaul of operational policies, procedures, and tools. Changes to assisted living will be substantial, but the DA hopes to conduct a transparent, collaborative and positive process to facilitate the required change.

2. **Waiver Redesign**

   - Modification of existing waivers and/or creation of new HCBS state plan or waiver services designed to better meet consumer needs for long term care and state goals of efficient and effective service provision and fiscal responsibility. To date, we have completed an initial round of stakeholder engagement and data review. The goal is to

present new waiver documents or amendments, and/or state plan amendments to CMS by the second half of SFY 2017 and implement new programs no later than January 1, 2018.

3. **State Plan on Aging**

- An updated state plan will be due to CMS on July 1, 2018, to guide DA activities from 2019-2023. We will be conducting the CASOA survey statewide to assess needs to compare against the CASOA results from 2013 that were used in developing the 2014 State Plan on Aging.

4. **CaMSS**

- The Division is on track to finalize the new case management system in early 2017. The system should be operational by that point, but work will be ongoing in SFY 2018 to ensure that interfaces with other FSSA systems work effectively.

5. **Incentivize Quality in Home & Community Based Services**

- Rate methodology for all of our home and community based services will need to be clearly defined and potentially updated as part of the waiver redesign project. We plan to develop an incentive program for defined quality outcomes as a component of this methodology. Services impacted could include: assisted living, home health, personal services, and case management.

6. **Housing**

- In order for individuals to have their long term needs met outside of nursing facilities, it is critical that adequate community supports such as housing and transportation be made available. The DA has been developing relationships with IHCDA and other housing entities with hopes to collaborate in the development of a State Plan on Housing within the biennium to establish some statewide goals for affordable housing, including independent housing, supportive housing, and assisted living.

Division of Family Resources (DFR)

DFR Mission Statement:

To provide the necessary tools to strengthen families through services that focus on self-sufficiency, family support, and preservation.

The Division administers cash assistance through the Temporary Assistance for Needy Families (TANF) grant, Supplemental Nutrition Assistance Program (SNAP) benefits,

employment, and training services for low-income clients as well as establishing Medicaid eligibility throughout the state.

DFR accomplishments in the FY16-17 biennium

1. **Temporary Assistance to Needy Families (TANF):**

- DFR maintained steady decreases in cash assistance payments and caseloads in the TANF program as recipients find employment and increase earnings through the Indiana Manpower and Comprehensive Training (IMPACT) program. The IMPACT program is an employment and training "Welfare to Work" program.
- DFR maintained the work participation rates for IMPACT individuals thereby continuing compliance with the federally established measure.
- Partnerships were continued with agencies in providing services that meet the purposes of TANF.

2. **HIP Program:**

- Since January 27, 2015, DFR has received over 1,100,000 health coverage applications. Approximately 390,000 of these applications qualified for the HIP program. . Application processing timeliness for these applications is at an average of 22.9 days.

3. **SNAP (Food Stamp Program):**

- DFR successfully implemented the Able Bodied Adult Without Dependents (ABAWD) work requirement.
- Application processing timeliness have been maintained at above 95% based upon statistics provided by USDA/FNS.
- DFR has continued to focus on recipient integrity which includes monthly monitoring of excessive card replacements as well as with out-of-state transactions.
- DFR successfully transitioned to a new EBT vendor, Xerox, due to previous vendor, JPMorgan Chase, exiting the EBT business.
- The SNAP anti-fraud campaign was initiated. This program includes literature posted in the DFR Local Offices to educate clients and staff.

4. **Refugee Services**

- Including primary, secondary, asylees and Cuban-Haitians, we have provided services to 3,634 individuals.

  Each year the refugee program holds an annual meeting which reviews accomplishments of the service plan committees and sets goals for the coming year. Committees for the coordinated service plan include: Employment, Education, Housing, Health, and Cultural Integration. The

annual meeting is also utilized to review the proposed upcoming fiscal years arrival numbers with the entire refugee support system.

- Audits conducted by the U.S. Department of State, Bureau of Population, Refugee, and Migration, and National Resettlement Agencies gave Indiana ratings in the highest categories possible.

- Indiana continues to maintain employment averages close to 10% higher than the national average and 20% better than surrounding states.

- Indiana has improved our tracking of secondary arrivals or Refugees, Asylees, Cuban-Haitians, and Parolees. This increased tracking increased the federal funding to support the Refugee program.

- While working in conjunction with the State Department of Health and the local county health departments, we have implemented infant health screenings for refugee infants.

5. Electronic Benefits Transfer (EBT)

- The Farmer's Market program has been successfully implemented across the state. Currently, there are 70 SNAP authorized farmers' markets across the state that have the ability to accept EBT cards for payment.

- A total of 135,635 EBT cards were created and issued in the timeframe of October 2015 through June 2016.

6. **Indiana Burial Program**

- The Indiana Medicaid Burial Program is designed to assist families, funeral homes and cemeteries with covering the costs of the passing of an Indiana resident active on Medicaid. Indiana will reimburse up to $1,200 for funeral costs and $800 for cemetery costs.

- In 2014 a new policy to limit time for submission of a claim to 90 days after the date of death was implemented. This new policy was accomplished by working with the funeral and cemetery officials. The Indiana Funeral Directors Association also published this policy change.

- Metrics have been implemented to ensure accurate and timely processing of burial claims.

- The burial program is now managed centrally, versus regionally, to maintain our level of success with monitoring claim accuracy and timeliness.

7. **State Realignment of Resources**

- DFR regional lines were re-evaluated and caseloads distributed more evenly across the state. Part of the realignment included Marion County local offices being divided amongst four (4) DFR regions.

8. **The Medical Review Team**

- The Medical Review Team (MRT) was moved to DFR from OMPP. The MRT has the responsibility of making accurate and timely determinations of medical eligibility for the State's Medicaid programs.

Current Challenges:

1. Refugee Services

- Four (4) new refugee arrival sites have been proposed to the U.S. Department of State, Bureau of Population, Refugee, and Migration. Indiana did not provide letters of support for these new proposed sites. If these new sites are approved they will primarily include newly emerging populations in communities.

2. Indiana Burial Program

- The burial program has seen significant growth in the number of claims submitted.

DFR Significant Initiatives for FY18-19

1. **HIP 2.0**

- Meetings are held regularly for all categories of HIP 2.0. These categories include policy, systems, operations, vendor involvement, and communications. DFR remains the primary contact and voice in the operations discussions. Current focus is on monitoring application timeliness, streamlining the determination process, preparing for Open Enrollment in November 2016, and closely monitoring the amount of staffing resources and ongoing training of the field staff to handle HIP 2.0 application processing and redeterminations.

- DFR is actively involved in the integration of all categories and components to ensure that policy and systems are well coordinated with the operations end of the process.

2. **Eligibility, Training, and Local Office RFP**

- The Hybrid system was implemented in early 2010 as a result of the breakup of the modernization model and the removal of IBM as the key vendor. When IBM's state contract ended, FSSA developed individual contracts with each of the vendors. These contracts are now all scheduled to end on December 26, 2016. As a result of these contracts ending RFPs are being released. Each RFP that is developed and released is allowing FSSA to re-evaluate and assess each aspect of the eligibility process This RFP process will identify those successful components of the Hybrid model and build on them and clearly identify those processes that need to be refined or changed.

3. Indiana Eligibility Determination System (IEDSS)

- DFR is in the process of replacing ICES, FACTS, and SMART systems with a new eligibility system. The tentative timeline for the rollout is scheduled in 2017 and follows the MMIS implementation. Since the project is currently in a part development and maintenance stage the funding for this initiative is 80% federally reimbursable.

4. **SNAP Employment and Training**

- FSSA implemented mandatory employment & training for segments of the population that were receiving SNAP benefits effective July 2015. This eligible population consists of Able Bodied Adults Without Dependents (ABAWDs). This population is required to participate in employment and/or training activities for 20 hours per week. If this 20 hour per week requirement is not met, the SNAP benefits are limited to three (3) months in a 36 month time period.

5. Refugee Services

- Focus on identifying the refugee sub-populations living in Indiana almost entirely resulting from secondary resettlement from other states. By making contact with these populations, we will ensure these individuals have received appropriate health screenings and ensure appropriate supports/services are in place.

Division of Mental Health and Addiction (DMHA)

DMHA mission statement:

To ensure that Indiana citizens have access to quality mental health and addiction services that promote individual, family, and community resiliency and recovery.

The Division of Mental Health and Addiction (DMHA) sets care standards for the provision of mental health and addiction services to Hoosiers. The division certifies all community mental health centers, in-patient psychiatric hospitals, and addiction treatment services. DMHA provides funding support for mental health and addiction services to target populations with financial need through a network of certified providers, and administers federal funds earmarked for substance abuse prevention projects. DMHA operates six psychiatric hospitals (Larue D. Carter Memorial Hospital, Evansville Psychiatric Children's Center, Evansville State Hospital, Logansport State Hospital, Madison State Hospital, and Richmond State Hospital).

DMHA Accomplishments in the FY 16-17 Biennium

1. Full implementation of 1915i state plan amendments to ensure services to consumers.

- Behavioral Primary Healthcare Coordination is a service created as part of the state's conversion to 1634 services.
- Child Wraparound Services provides services through the systems of care to children in the community needing high intensity services.
- Adult Mental Health Habilitation will provides habilitative services to consumers.

2. DMHA provided federal block grant and state funds to the first break clinic at Midtown/Eskenazi. Programs of this type are a federal block grant requirement.

3. DMHA and the Department of Child Services continue to successfully implement the Child Mental Health Initiative that provides access to services for children who are uninsured but not in Medicaid. Partnering with the 25 CMHCs, access through this initiative is available in all 92 counties.

4. Two state hospitals (Madison and Logansport) earned "Top Performer "status from the Joint Commission.

5. DMHA continues to support training and certification for certified recovery specialists. Following certification, these persons with lived experience can provide billable services for CMHCs and state hospitals.

6. DMHA successfully developed and implemented the mental health and addiction forensic treatment fund, Recovery Works. In its first year Recovery Works enrolled nearly 3,200 felons and provided funding for mental health and addiction services. Services are available in all 92 counties through a network of 62 providers. Services are paid for via a voucher system managed centrally in DMHA.

7. DMHA was actively involved in responding to the HIV/opiate crisis in Scott County. Working with the community and providers, there is more access to mental health and addiction care in Austin.

8. In an effort to merge the 6 state hospitals into a single system of care, DMHA initiated the System Integration Council. The goal of the Council is to integrate the operations of the state hospitals into a single hospital system. In its first year, strides were made in the areas of fiscal management, policy management, technology, and business development. The Council is now focusing on clinical integration in preparation for the new Neuro-Diagnostic Institute.

9. Plans are underway for the construction of the Neuro-Diagnostic Institute being built on the Community East (Indianapolis) campus.

10. DMHA has promulgated administrative rules for the expansion of the opioid treatment programs. Authorization in legislation allows for up to 5 new OTPs through 2018.

DMHA Significant Initiatives for FY 18-19

1. **State Operated Facilities**

    - DMHA will continue the work of the System Integration Council to make the hospital system responsive to community needs. DMHA will also utilize available hospital units for addiction treatment programs operated by local providers and prepare for the transition from Larue Carter Hospital to the new NDI in fall of 2018.

2. **Community Treatment**

    - DMHA will evaluate and implement payment reform for addiction and mental health services to ensure funding meets the needs of consumers and their families. The goal is full implementation of the Recovery Works program in partnership with the criminal justice system.

3. **Adult Services**

    - Mental Health

- DMHA will continue to work with DDRS to establish improved access and services to persons dually-diagnosed with mental illness and ID/DD.
- DMHA will continue to support the growth of integrated care across mental health and addiction providers.

- Substance Abuse Treatment
  - DMHA will continue working to improve treatment provider readiness for integration with physical and mental health services.
  - DMHA will expand access to addiction services through a variety of measures including primary care, state hospital service expansion, and addressing workforce shortages.
  - DMHA will work toward better coordinating prevention efforts with Criminal Justice Institute and other prevention grant-making agencies.

4. Children's Services

- DMHA will continue work with the juvenile system to develop and implement alternatives to detention for youth needing mental health and/or addiction service.
- DMHA continues to work in partnership with DCS to support intensive community-based services and supports for children and youth that do not have access to adequate services.
- Partnerships with other statewide stakeholders will be created to address neo-natal abstinence syndrome.
- DMHA will continue to support and expand the children's System of Care across the state.

Office of Early Childhood and Out of School Learning

Vision and Mission Overview

The vision of the Office of Early Childhood and Out of School Learning (OECOSL) is that every Indiana community will have a strong network of Early Care and Education (ECE) and Out-of-School time (OST) programs that support the child, the family, and local schools. Programs will be high quality, affordable, and accessible, enabling families to work effectively to obtain economic self-sufficiency. Children will thrive in programs that meet their

developmental and educational needs and make them feel welcome, encouraged, and supported. Professionals teaching and caring for children will have the resources, including training and education, needed to operate and maintain high quality programs.

OECOSL administers numerous early childhood and school-age, out-of-school time care and learning initiatives. These initiatives are focused on supporting low income families with a variety of high quality program options for their children under the age of 13; as well as supporting providers of these services by offering resources needed to build the capacity of high quality programs, These high quality programs ensure that children are healthy, safe, and learning in out-of-home environments.

OECOSL Accomplishments in the FY 16-17 Biennium

OECOSL includes the following business areas: Licensing/Registration, Quality Improvement, CCDF Program and Policy, Operations, and Early Education. Aside for the Early Education team, which is new for OECOSL, each area has experienced significant accomplishments over the past two years.

1. **Licensing/Registration**:

- OECOSL implemented a new referral process to the child care resource and referrals' (CCRR's) infant toddler specialists. When a center, home, or ministry is cited for safe sleep violations, a referral is made to the infant toddler specialist in that area to follow up on with training, on site consultation, etc.
- OECOSL inspected and regulated 2,710 child care homes.
- OECOSL continued joint visits with Department of Child Service investigators. In 2015, 145 child/abuse and neglect complaints were received and jointly investigations to ensure child safety.
- OECOSL implemented the policy of conducting onsite fire drills in every licensed child care home and also provided consultation in safe evacuation of the homes during a fire emergency.
- OECOSL increase licensed child care centers in 2015 by 15 facilities in addition to increasing accreditation in licensed child centers in 2015 by 18.
- OECOSL increased child care ministries in 2015 by 18 facilities and increased the Voluntary Certification Program in child care ministries in 2015 by 22.

2. **Quality Improvement**:

- Paths to QUALITY continues to lead the nation's quality rating and improvement systems in enrollment in a voluntary system (93.75% of all centers, 70.3% of all licensed homes, and 19.25% of all Registered Ministries as of June 2016).

- Paths to QUALITY continues to exceed level advancement goals for enrolled programs. Indiana is also among the leaders in the nation for the percentage of licensed centers and homes that are nationally accredited.

- As of June 2016, there are 30,877 children who receive CCDF support in a Paths to QUALITY program. This represents 73% of total children served in the CCDF system.

- Educational scholarships and career counseling are available through the statewide T.E.A.C.H. Early Childhood® INDIANA project for early childhood teachers, directors, and family child care providers currently in the workforce. This project's impact is threefold - increasing the education of the child care provider, increasing compensation, and decreasing staff turnover. Scholarships are available for Early Childhood degrees at the Bachelor and Associate levels through Indiana's higher education institutions, and also for the national Child Development Associate (CDA) Credential. In June 2016 there were 180 active Bachelor level scholarships, 323 active Associate level scholarships, and 301 active CDA Credential scholarships.

- In June 2016 there were also 266 active early childhood providers enrolled in non-formal CDA training that contributed to the national CDA Credential.

3. **Child Care Development Fund (CCDF) Program and Policy.**

- CCDF is a federal program that assists low-income families in obtaining child care so that they can work or attend school.

- OECOSL successfully implemented a 12 month eligibility for CCDF clients in order to promote continuity of care and extend the time period that eligible children and families have access to child care assistance.

- OECOSL successfully increased the exit threshold for families receiving CCDF from 170% Federal Poverty Level to 85% State Median Income. This implementation promotes continuity by allowing for wage growth, a tapered transition out of the child care subsidy program, and supports long-term financial stability to help families get to a point where they no longer need the subsidy.

- OECOSL successfully implemented the payment system for CCDF providers to allow for entry of electronic late attendance and a parent portal to allow CCDF parents to access

their child's attendance and approve late attendance resulting in more timely payments to providers.

- OECOSL successfully implemented of changes to IC12-17.2-3.7 effective July 1, 2015, resulting in safer environments within unlicensed CCDF programs.

- OECOSL inspected and regulated approximately 530 CCDF licensed exempt homes and facilities to ensure compliance with state and federal regulations.

4. Operations:

- Indiana leads the nation in the Improper Payment Initiative with an error rate of 2.54%

- Indiana's comprehensive, integrated web-based data system is among the strongest in the nation. This allows for increased accountability, effectiveness, and efficiency across all business areas of OECOSL.

- OECOSL implemented new expenditure reporting, giving Operations the ability to reconcile payments to state data as well as continually monitor our grantees utilization of Federal and State funds.

- OECOSL completed automation of the budget process in the newly implemented software to ensure service to families on the CCDF waitlist in the timeliest way possible.

- Enhancements of the CCIS database were completed to help increase the timeliness of completing background checks for prospective staff members and providers who are receiving CCDF funds. This change helps to minimize the risk of unqualified caregivers working in these child care locations and helps to better protect the children.

5. Early Education:

- Family eligibility intake agents were identified and contracts were executed. Intake Agents also determined family eligibility for CCDF to promote alignment across public funding streams.

- A software system (the Indiana Pre-K Intake System, IPKIS) was built to support eligibility determination. This system is used by Intake Agents to ensure accuracy and accountability across family and provider eligibility, obligations and expenditures.

- The automated randomized selection (lottery) process was developed.

- An online family application was developed and deployed.

- An On My Way Provider Portal was launched, giving programs grant information, attendance tracking, and adding invoice/payment details in 2016-17.

- Purdue University is evaluating the improvement of school readiness and academic outcomes through 3rd grade for a sample group of enrolled children receiving a grant for 2015-16. A second cohort of children will be added to the evaluation sample for the 2016-17 program years.

- Outreach plans were developed and implemented in order to identify eligible children who were not currently being served. FSSA developed On My Way Pre-K outreach materials including signs, flyers, radio ads and other outreach tools.

- The Indiana Early Learning Advisory Committee developed an evidence based Family Engagement Toolkit to assist providers in implementing the required family engagement activities. Training and technical assistance on the tool kit will be offered to providers so they can help to empower parents to be engaged in their child's learning and future academic success. The Toolkit may be found at http://www.in.gov/fssa/files/FamilyEngagementToolkit_Final.pdf.

- FSSA, United Way of Central Indiana, and the Indianapolis Mayor's Office worked closely together to streamline services for children, families, and providers by creating alignment across the eligibility requirements for providers and families, use of a shared data system, shared intake agents, joint family/provider applications, and collaborative efforts at family outreach and capacity building activities.

- FSSA developed an accelerated pathway for public schools to qualify under Path to QUALITY (PTQ) and supports for community based programs currently on PTQ to assist them in reaching levels 3 and 4.

- There are currently 260 approved On My Way Pre-K eligible providers representing a mixed delivery system of all provider types available.

- In 2015, FSSA, Early Learning Indiana, and United Way of Central Indiana partnered to offer almost $500,000 of capacity building grants that helped to create approximately 1,000 new high quality Pre-K seats across the five pilot counties.

- For the 2014-15 school year, 30 different early education programs were awarded grants totaling over $1.4 million to serve low income 4-year-olds in 15 different counties throughout Indiana.

- For the 2015-16 school year, 19 early learning programs, located in 14 different Indiana counties, are serving 491 low income 4-year-olds. Grants totaling over $1.4 million were awarded to these high quality programs.

- Four public schools applied for and received the EEMG grant for 2015-16, entering Paths to QUALITY and meeting Level 3 to be eligible.

Current Challenges:

Each business area also faces unique challenges over the next two years including the following:

1. **Licensing/Registration:**

   - Child care home complaints increased from 617 to 700 from 2014 to 2015. Complaints made to DCS have doubled since 2012. The number of enforcements as well as the number of probationary licenses has increased since 2014. Additionally, the number of initial visits increased from 278 in 2014 to 305 in 2015. All of these increases require multiple visits per year which is challenging due to current staffing.

   - The Child Care Developmental Block Grant (CCDBG) reauthorization required that all childcare staff receive training on ten topic areas around child health and safety. OECOSL must provide validation that this training has occurred by September 30 each year. This will require a manual process be completed until such time that an electronic solution can be identified.

   - OECOSL has struggled to recruit and retain highly qualified staff. Increased opportunities in the field of early care and education has resulted in numerous staff leaving for higher paying jobs.

   - FSSA is at risk of tort claims from families whose children have experienced death and/or injury within a child care program.

2. **Quality Improvement**

   - As Paths to QUALITY, the Early Education Matching Grants, and the PreK Pilot program increase the demand for high quality providers, the need for quality support including education, training, and technical assistance increases. It will be challenging to continue to meet this demand in effective ways that improve child outcomes with a limited quality improvement budget and staffing infrastructure.

   - Another challenge will be implementing the new federal CCDBG regulations, including new requirements on providing parents with information and supporting increased safety standards among providers receiving CCDF funds.

3. **CCDF Program and Policy:**

- Implementing the new federal CCDBG requirement to take into account irregular fluctuations in income is important for families who rely on work that is unpredictable or seasonal in nature.

- The change of eligibility from 6 months to 12 months may increase the risk of a long waitlist for CCDF vouchers due to an expected lower attrition rate.

4. **Operations**:

- OECOSL will ensure that the CCIS data system stays up to date on all information security threats.

- Reauthorization of the federal CCDBG Act requires states to move to a 5-year background check.
- OECOSL will enhance the CCIS database to include the capacity to support the OECOSL's goal of going paperless.

5. **Early Education:**

- The payment system used for On My Way Pre-k and the Early Education Matching grants is very labor intensive. Through the course of FSSA audits, it has also been found that the system design has allowed for improper payments to be delivered. Because of these shortcomings with the current system, a new system for payment will need to be designed.

- Continued updates and training for ISTAR-KR for EEMG and OMW providers is needed to ensure that the tool is administered and used appropriately.

- Additional social, emotional training supports for programs for working with difficult behaviors and families is needed in order to reduce the number of children being expelled from preschool programs.

- OECOSL will increase focus and technical assistance on kindergarten transition to ensure consistency across the state.

OECOSL Significant Initiatives for FY 18-19 Biennium

OECOSL is planning the following initiatives over the next two years:

1. Rule promulgation for licensed homes, centers, ministries and exempt providers to ensure state rules match federal reauthorization of the Child Care Development Block Grant (CCDBG).

2. Enhancements to the PTQ system in order to continue increased expectations and ensure that the care and education in our high quality programs support better child outcomes. Revisions of PTQ will also ensure that all types of providers (i.e. schools, ministries, non-public schools, Montessori schools, etc.) have a pathway to participate in PTQ.

3. OECOSL will develop a training registry that will support the needs of all early childhood education staff as well as function as a trainer/training approval system. An update to the training platform that is currently used to ensure that OECOSL can meet its obligations outlined in CCDBG for tracking and monitoring training of all childcare providers.

4. Increased efforts to recruit and retain childcare providers in areas of the state where there are not enough licensed childcare seats to meet the demands of the community.

5. OECOSL will begin a statewide outreach campaign aimed toward how to choose safe childcare so that parents are more informed about their options. This will also allow OECOSL to meet its obligations under reauthorization on parent outreach and education.

6. As a part of our current PTQ system, OECOSL has a cadre of coaches located regionally around the state to assist programs in their quest for quality. This system of support will be updated to ensure that work the coaches do truly supports programs as they strive to implement the new standards for high quality early care and education for the children and families in our state. The coaching project will also be assessed to determine how supports are provided to programs that are in "quality deserts", along with how the coaching project can be used to provide support around trainings to ensure practices learned are embedded into the classroom.

FSSA's Overall Initiatives for FY 18-19

To continue to meeting the health and human services needs of Indiana's population within a fiscally responsible and balanced budget. Numerous program enhancements, improvements, and efficiencies have been identified and implemented, and the agency is committed to making additional improvements and modifications to meet these challenges in the next biennium.

New Initiatives for FY18-19

1. Indiana Neuro-diagnostic and Advanced Treatment Center ("NDI")

    a. Legislative directive to replace Larue Carter Memorial hospital initiated this process. The NDI shall provide contemporary mental health initial diagnostic assessments for newly committed patients and destabilized forensic prisoners, early stabilization for said patients, and establish their short or long-term treatment protocols. The NDI is intended to be the entry point for behavioral health and addiction patients served by State Operated Facilities and a short stay facility (either patients stabilized at NDI and released, or longer term patients transferred to other existing State Operated Facilities). Additionally, the NDI will serve as a catalyst to help modernize and standardize the State Operated Facilities as an interoperable healthcare "network."

    b. The NDI operates under the specific authority granted by the various provisions contained in Indiana Code Section IC 12-24 and was funded under IC 4-13.5-4

    c. The NDI will serve approximately 159 patients, though intended annual throughput may be as high as 1,500. The patients served are those who are deemed to be seriously mentally ill from both the community and court, as well as certain patient populations determined by Indiana Department of Correction.

    d. Goals:

    The NDI will:

    a. Function as the initial patient assessment entry point for patients committed by a court or civil procedure to a State Operated Facility system;
    b. Incorporate contemporary behavioral health assessment and treatment equipment;
    c. Maintain a short duration patient stay program (ideally less than 60 days). This program encourages patient stabilization and release, or transfer to existing SOFs for longer treatment requirements;
    d. Provide immediate proximal support for primary and emergent care needs for SOF patients via co-location on Community Health Network East hospital campus;
    e. Establish standardized treatment protocols for patients that will "travel" through either longer duration stay in SOF system or to community support facilities upon release;

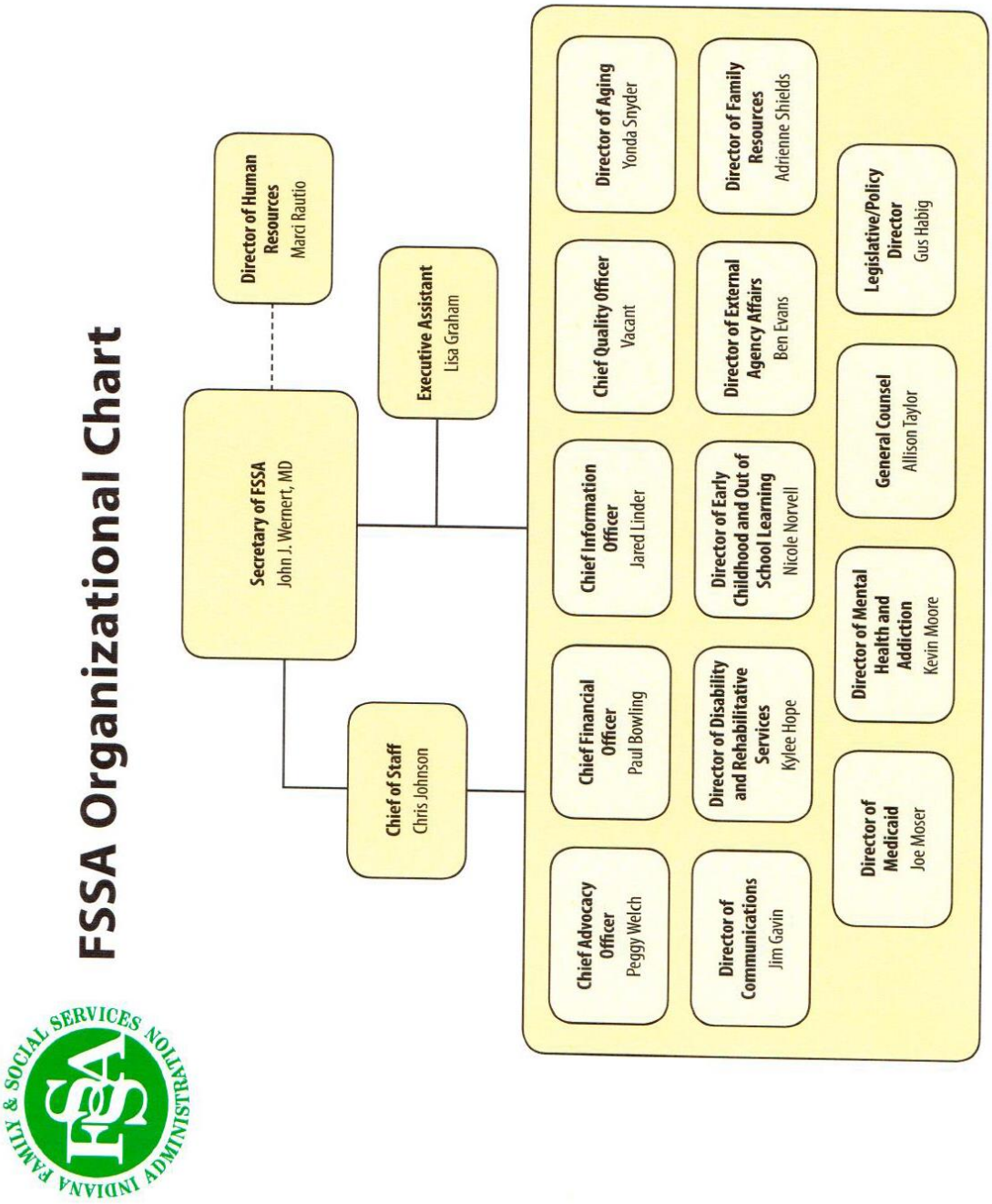
f. Provide a model of modernized healthcare delivery and Health Information Technology ("HIT") excellence for distribution to existing SOFs and fulfill Larue Carter mission to be a behavioral health training ground for future Providers.

e. The NDI is a brand new facility being designed and built during the 2018-19 budget cycle. It is currently planned to open in late fall of 2018, with approximately 6 months of operation under aforementioned budget cycle. The closure of Larue Carter Memorial Hospital is intended to coincide with the opening of the NDI, resulting in the 2018-19 budget for both Larue Carter and the NDI being combined.

f. The design and construction of the NDI will continue into the first 18 months of 2018-19 budget cycle. Occupancy of the new hospital is set to occur near the end of 2018. The ability to track spend against IFA bond sourced funding (i.e. construction budget) is readily available during this period to ensure budgetary goals are being met. Ancillary capital needs to equip the NDI with modern technologies, including but not limited to: functional electronic medical records and billing application, will be trackable as independent projects as they involve not only the NDI but other SOFs as well. Other points of success for NDI preparation will be measurable based on projected activities at Larue Carter, including site transition preparation, employee performance, and Larue Carter disposition post move to NDI. All these activities are identified, organized, and directed by NDI Chief Operating Officer.

   The Key to success of the NDI will be ample staffing to accommodate the projected patient count and high throughput model envisioned. This would require that FSSA be able to hire staff to fill patient service roles for the NDI to cover for employee attrition.

Organizational Chart:



Change Packages

Below is a list of change packages that the Agency will be including within the biennium budget submission.

- Decrease the appropriation of Larue Carter Memorial Hospital in the amount of $17.5M to reflect the closure of the facility in the second quarter of SFY2019.
- Request an additional $23.8M in funding for the opening of the new NDI facility in the second quarter of SFY2019.
- Request an additional $4.1M in appropriation for SFY2018 and SFY2019 for the continued funding of our Burial Program administered by the Division of Family Resources.

Sincerely,

Dr. John J. Wernert
FSSA Secretary