

September 24, 2010

Family and Social Services Administration – SFY12-13 Overview

This letter accompanies the budget submission of the Family and Social Services Administration (FSSA) for the biennium SFY12-13.

FSSA vision: to lead the future of healthcare in Indiana by being the most effective health and human services agency in the nation.

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.

SFY12-13 Budget Overview

FSSA is organized into five 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

Administrative support functions

- Executive office
- General counsel
- Communications
- Technology services
- Resource management
- Contract management
- Financial and accounting
- Audit

Office of Medicaid Policy and Planning (OMPP)

OMPP mission statement: to facilitate value-driven healthcare providing universal coverage via individual enfranchisement versus institutional entitlement.

The cornerstones to achieve this mission are interoperable health information technology, measured and published quality and price information, and the promotion of quality and efficiency of care.

OMPP accomplishments in the SFY10-11 biennium

- Care Select Program:
 - Completed redesign: The new program will target those individuals who can best be helped by Disease Management, achieving savings of \$7.5 million in SFY 2011 and potential savings of \$11.3 million in subsequent years.
- Hoosier Healthwise Program (HHW) and Healthy Indiana Plan (HIP):
 - Achieved administrative efficiencies by combining the HHW and HIP contract terms for Managed Care Organizations.
 - Families enrolled in both HHW and HIP are now covered by one contractor, streamlining service delivery and enhancing customer service.
 - Enhanced the strength of pay for performance contracts by introducing measures to reduce emergency room and inpatient recidivism within 30 days of discharge.
 - Implemented an oversight and monitoring plan for Managed Care Organizations, ensuring appropriate performance measures are in place.
- Medicaid Health IT:
 - Awarded \$2.3 million in federal dollars for planning and development of policies and processes to identify and fund eligible providers and hospitals who are adopting electronic health record (EHR) systems, and who can demonstrate meaningful use of EHR such as e-prescribing, electronic exchange of health care information, and transmittal of clinical quality measures.
- Pharmacy carved out from Risk-Based Managed Care:
 - Reduced the number of preferred drug lists to one for all Medicaid plans, which increased efficiencies for providers and pharmacists by reducing the need to retain and review several plans for prescriptions, and expediting prior authorization and prescription fills for consumers.
 - Allowed for increased revenue from pharmacy rebates.
- Implemented Correct Coding Initiative to ensure proper payment of provider claims.
- Implemented presumptive eligibility for pregnant women, which increased the Medicaid coverage for the pregnancy by reducing the amount of paperwork needed for confirmation of eligibility thereby improving consumer relations with the patient and provider.

OMPP significant initiatives for SFY12-13

- Planning, development, and implementation of Affordable Care Act (Health Care Reform).
- Medicaid Management Information System (MMIS) modernization:
 - Plan and Develop new MMIS.
 - Current system approximately 20 years old and will not accommodate changes required by the Affordable Care Act.

Division of Disability and Rehabilitative Services (DDRS)

DDRS mission statement: facilitate effective partnerships to enhance the quality of life for the people we serve in the communities and pursuits of their choice

DDRS's vision is guided by four principles: self advocacy and self direction, quality integration through quality outcomes, work first as key to a meaningful day and dignified risk as the centerpiece of risk management. DDRS facilitates the delivery of support services to children under the age of three with learning delays and disabilities, to eligible individuals with cognitive disabilities, to the blind and visually impaired, to the deaf and hard of hearing and to those who can benefit from vocational rehabilitation services. DDRS also administers the Social Security Disability Determination Bureau.

DDRS accomplishments in the SFY10-11 biennium

- Bureau of Developmental Disability Services (BDDS):
 - Completed the shifting of funding for a significant number of individuals on comprehensive State-funded services (Individual Community Living Budgets or ICLB) to Medicaid waivers, generating over \$10 million in State funds for reinvestment annually.
 - Gained approval for the renewal of the developmental disabilities waiver and started the process for renewal of the support services waiver which will be completed in 2011.
 - Completed the office co-location project with Vocational Rehabilitation (VR) achieving significant improvement in access for consumers and savings of \$900,000.
- The last state operated ICF/MR is scheduled to close April, 2011. A total of 206 people will be transitioned into less restrictive community settings.
- While maintaining the health and welfare of our recipients, DDRS reduced contracts by more than \$18 million, of which \$9 million is savings to the State.
- Successfully transitioned the Medicaid Infrastructure Grant from the Office of Medicaid Policy and Planning to VR and received increased funding of \$693,000 based on performance.
- Indiana's Disability Determination Bureau (DDB) continued to be among the leaders in productivity nationally with the fastest application processing times and highest accuracy rates in the Chicago Region. This efficiency and proficiency of the DDB staff has created the opportunity for Indiana to be assigned back-logged work from other states.
- VR received national recognition from the Health Resources and Services Administration for its efforts as part of their Traumatic Brain Injury grant.

DDRS significant initiatives for SFY12-13

- Bureau of Developmental Disability Services (BDDS):

- Continue to move people into roommate situations to properly conserve state resources, increase opportunities for others to receive services, and improve community integration and socialization opportunities for clients.
- Continue to improve the integrity of the waiting list for its waivers while creating movement into services within budget constraints.
- Work with the Bureau of Quality Improvement Services (BQIS) to reengineer their processes to provide improved quality control over providers, case managers and other contractors.
- Transition all waiver participants to an objective budget system that will include the opportunity for day services and meaningful opportunities in the community for work or other activities.
- Balance First Steps budget within the existing state appropriation.
- Continue to integrate VR into the continuum of care, which will result in people being evaluated for the opportunity to work prior to or simultaneous with receiving waiver services.
- Increase Social Security Administration (SSA) payments to the State by \$1 million for transitioning people to work by working with providers to place individuals in higher paying jobs, as the SSA reimburses VR for the cost of services when an SSA/VR beneficiary remains employed for at least nine months.

Division of Aging (DA)

DA mission statement: to promote health maintenance and facilitate the delivery of a broad array of cost-efficient quality supports for older Hoosiers.

DA facilitates services through nursing facilities and home and community based services.

DA accomplishments in the SFY10-11 biennium

- Home and Community Based Service Programs:
 - Increased number and percent of long term care (LTC) clients receiving Home and Community Based Services (HCBS); peak number approximately 24,000 clients which is approximately 26% of LTC recipients.
 - Served approximately 15,000 clients in the nutrition program.
 - Implemented the Money Follows the Person program statewide; it is expected that approximately 730 successful transitions will occur by June 30, 2011.
 - Implemented a quality assurance program that monitors provider compliance as well as client services. This was implemented in conjunction with an incident reporting system for HCBS.
 - Indiana was the first state in the nation to implement the Aged and Disabled Resource Center (ADRC) model statewide, utilizing the 16 Area Agencies on Aging. The ADRC created a single, coordinated system of information and access for seniors and adults with physical disabilities seeking long-term care by minimizing confusion, enhancing individual choice, and supporting informed decision making.
- Nursing Facility Programs:

- On January 1, 2010 passed and implemented the amended nursing facility reimbursement methodology (Phase II), which increased incentives to providers for quality care and instituted disincentives for providers to admit or retain low needs clients who could be appropriately served in the community. This represented approximately \$11 million savings in nursing facility expenditures that are now being used for HCBS.
- Implemented changes to the minimum data set (MDS) audit process based upon a risk audit selection process, thereby decreasing the total number of provider audits required.
- Division Processes:
 - Implemented new nutrition software to improve data collection and reporting capabilities, as well as long term productivity for the HCBS clients.

DA significant initiatives for SFY12-13 biennium

- Home and Community Based Service Programs:
 - Streamline funding sources for HCBS so as to best utilize state dollars while serving more clients.
 - Grow the number of clients served in HCBS while continuing to balance the long term care continuum away from institutionalization to HCBS.
- Nursing Facility Programs:
 - Move forward with modification of the nursing facility reimbursement methodology which will further refine the criteria for the quality component of the nursing facility reimbursement system, i.e., value based purchasing (Phase III).
 - Improve the nursing facility application and approval process (450B) by streamlining the form(s) and moving to electronic transmission.
- Continue to maximize federal grant opportunities, thus maintaining fiscal responsibility while growing programs and numbers of Hoosiers served.

Division of Family Resources (DFR)

DFR mission statement: to provide various tools to strengthen families through services that focus on prevention, early intervention, self-sufficiency, family support and preservation.

DFR administers cash assistance, child care assistance, food stamps, employment and training services for low-income clients as well as Medicaid eligibility throughout the State.

DFR accomplishments in the SFY10-11 biennium

- Child Care and Development Fund (CCDF)
 - Consistently supported 36,000 children a month through the CCDF voucher program.
 - With the American Recovery and Reinvestment Act funding, 3,500 additional children have been able to receive CCDF vouchers.

- Completed the statewide roll out of a voluntary child care rating and improvement system, *Paths to QUALITY*.
 - Within 18 months of statewide implementation, over 78% of Licensed Centers and 47% of Licensed Homes have enrolled in the voluntary system. This program now benefits over 71,000 children
- Provided assistance to 16,397 families in locating child care last year, including enhanced referral for families seeking child care for infants and toddlers or special needs children, as well as referrals for Spanish speaking families.
- Temporary Assistance to Needy Families (TANF)
 - Achieved steady decreases in cash assistance payments and caseloads in the Temporary Assistance to Needy Families (TANF) program as TANF recipients find employment and increase earnings through the IMPACT program.
 - Applied for Emergency Contingency Funding in order to provide additional assistance for TANF programs.
- Refugee
 - Established a pilot program with the Allen County Health Department for offsite data entry into state refugee database.
 - Designed ISDH Refugee Health webpage (<http://www.in.gov/isdh/24668.htm>).
 - The 90 day employment retention rate for placed refugees increased by over 10%.
- SNAP (Food Stamp Program)
 - Outreach plan approved by USDA/FNS to increase partnership with food banks and community action agencies to provide SNAP information to their clients.
 - Increased food stamp participation by 15%.
 - Change made to reporting requirements so that all assistance groups report under same guidelines and timelines.
 - Implemented a mandatory standard utility allowance that eased the burden of verification on both workers and clients.
- Indiana Client Eligibility System(ICES)
 - Implemented new application tracking dashboard for food stamps to locate and solve application problems.
 - Implemented auto-renewal of Medicaid only redeterminations to expedite qualified recipients.
 - Automatically schedule longer interview times when a recipient is applying for multiple assistance categories which allows ample time to process the application without follow-up visits.
 - Improved the interface between ICES and the Hearings and Appeals system to provide instant synchronization of hearing information in a timelier manner.
 - Created a Food Stamp Benefit Calculator to eliminate manual calculation process in determining Food Stamp eligibility.

- Implemented the capability to combine client notices into a consolidated format thus providing better communications and lower print costs.
- Enhanced the Application Registration data screens to include auto-population of client information, making it easier for case workers to process redeterminations.
- Hybrid Initiative was rolled out in two regions (21 counties).
 - Reached out to clients, advocates and staff to create and model a solution that combines the best of the modernized *and* the pre-modernized systems.
 - Implemented Guiding Principles focusing on:
 - Improved client experience
 - Improved timeliness of application determinations, redeterminations and change processing.
 - Improved accuracy/reduce error rates.
 - Developed regional Hybrid Advisory Stakeholder Groups.

DFR significant initiatives for SFY12-13

- Child Care and Development Fund (CCDF)
 - Continue to increase participation in *Paths to QUALITY* to over 85% of Licensed Centers and 55% of Licensed Homes.
 - Continue to increase the number of Unlicensed Registered Ministries who improve the quality of care through attainment of the Voluntary Certification Program (VCP) and participation in *Paths to QUALITY*.
 - At least 20% of all *Paths to QUALITY* facilities will increase their rated quality level by at least one level.
- Temporary Assistance to Needy Families (TANF)
 - Decrease total amount of cash payments and caseloads by increasing the work participation rates for IMPACT individuals.
- Refugee
 - Propose placement for resettlement of 1,500 refugees in the State.
 - Establish two new resettlement cities - South Bend and Bloomington.
- SNAP (Food Stamp Program)
 - Change from a 30/60 day application process to a 30 day process.
 - Food Stamp reinvestment initiatives developed and implemented.
 - Increase the number of Farmer's Markets that receive EBT.
- Indiana Client Eligibility System (ICES)
 - Begin initial planning to replace or improve the ICES system.
- Hybrid Implementation
 - Roll out to remaining counties.

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.”

DMHA accomplishments in the SFY10-11 biennium

- Medicaid Rehabilitation Option Services (MRO)
 - Assisted the Office of Medicaid Policy and Planning in the successful development and implementation of service packages for MRO services, utilizing the assessment tools for children (Child and Adolescent Needs and Strengths Assessment – CANS) and adults (Adult Needs Strengths Assessment – ANSA).
 - Included Peer Recovery Service in the service packages – have trained and certified over 50 consumers in Indiana to provide these services.
- Access To Recovery (ATR)
 - After a successful initial 3-year grant serving approximately 10,000 individuals, DMHA received a four- year, \$12 million grant extension to continue to serve approximately the same number of individuals.
- Child and Adolescent-Psychiatric Residential Treatment Facility (CA-PRTF)
 - Grant rolled out statewide and is serving approximately 1,000 individuals.
 - Children served under the grant achieved a 44% improvement in functioning compared to 33% for those in usual public services.
 - Achieved a per patient savings of at least \$31,000 compared to regular Psychiatric Residential Treatment resulting in an annual projected State savings of \$1 million.
- State Operated Facilities
 - Transition of services and patients to the community to be finished by March 2011, which will result in an annualized savings of \$15 million beginning in SFY 2012.
 - Electronic Medical Record implementation is in process at state operated facilities. Extra efforts on behalf of staff contributed to contract savings of \$450,000.
 - In November 2009 implemented Memorandum of Understanding with the Department of Corrections for maintenance services at the Madison State Hospital, resulting in a savings of \$575,000.
- Crisis Counseling Program
 - Indiana was commended on the innovate outreach strategies and overall report composition, which will be utilized as a model for other states, from the FEMA 1766 Crisis Counseling Program (Indiana Project Aftermath) for services rendered following the 2008 floods and tornadoes.
 - The total funding received for the Immediate and Regular Services grant was \$1,196,164, which assisted approximately 22,500 Hoosiers.

DMHA significant initiatives for SFY12-13

- State Operated Facilities
 - Streamlining of additional services, such as food, and researching reducing the length of stay while improving consumer care. This will result in improved efficiencies and savings to the State.
- Mental Health & Substance Abuse Providers

- Revise certification and licensure rules of providers, which will enhance the quality of client care and assist Indiana in becoming more competitive with other states for future federal funding.
- Explore the possibility of consumer operated programs in an effort to enhance the engagement of consumers in mental health and substance abuse programs.
- Continue the Work Force Task Force to focus on assisting providers with the recruitment and retention of behavioral health employees.
- Implement the \$236,000 Transformation Transfer Initiative (TTI) grant received from the Substance Abuse and Mental Health Services Administration (SAMHSA) in order to provide training and support for recovery oriented care and mental health system transformation.

Continuing to meet the health and human services needs of Indiana's population within a fiscally responsible balanced budget will always be challenging. The more obvious program enhancements, improvements and efficiencies have been identified and implemented. But others have yet to be tackled. The Family and Social Services Administration is committed to making the improvements and modifications to meet these challenges.

Sincerely,

A handwritten signature in black ink, appearing to read 'Megan Ornellas', with a long horizontal line extending to the right.

Megan Ornellas
Chief Financial Officer