

August 15, 2014

## **Family and Social Services Administration – FY16-17 Overview**

This letter accompanies the budget submission of the Family and Social Services Administration (FSSA) for the FY16-17 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.

### **FY16-17 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
- Operations
- Resource management
- Contract management
- Financial and accounting
- Audit

## **Office of Medicaid Policy and Planning (OMPP)**

**OMPP Mission Statement:** 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 FY14-15 Biennium**

#### **1. Single State Agency Designation**

FSSA sought and obtained legislative authority in the 2014 General Assembly designating FSSA instead of OMPP as the single state agency administering the state's Medicaid program. The change better reflects the role of FSSA as the umbrella entity responsible for administering Medicaid, given Medicaid functions reside in many divisions within FSSA other than OMPP, including DFR, DMHA, DDRS, Aging, and Operations. Subsequent to legislative authority, OMPP applied for and received approval from the federal government to declare FSSA as the single state Medicaid agency.

#### **2. Personnel and Eliminating Contract Staff**

OMPP had a number of staff vacancies which the Medicaid Director has filled in the last six months, hiring eight new staff to fill vacant positions and moving existing staff to other positions to fill key positions and better reflect staff skills and interests. During this same time, OMPP has only had one voluntary departure from the staff of 50. OMPP staff seems more content with their assignments, more motivated and have a better understanding of organizational goals and priorities. Key roles previously filled by contractors have been replaced by state employees.

#### **3. HIP 2.0 Rollout**

OMPP Director and FSSA Secretary assisted the Governor's Office in the design and rollout of HIP 2.0. The program announced by Governor Pence on May 15 was the culmination of four months of intensive internal policy discussions and conversations with CMS. The rollout of the HIP 2.0 program was widely considered successful, engaging key constituencies, and received a good response from divergent corners.

OMPP has played a key role in initial planning efforts as the state prepares for implementation.

4. 1634 Conversion and new Behavioral and Primary Healthcare Coordination Program (BPHC)

Successfully managed transition in how Indiana determines Medicaid disability eligibility from an independent state determination to now accepting the Social Security Administration's determination. Assisted those who would lose coverage in the transition with information on their options, and created new programs for those with highest needs, including a new Behavioral and Primary Healthcare Coordination program for higher income individuals with SMI and Miller Trusts for higher income seniors in nursing homes. Successfully enrolled 3,600 in BPHC program in four months and approved 2,200 Miller Trusts in same timeframe.

5. Early Elective Delivery Nonpayment Policy

Established 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. PPACA Compliance

Successfully implemented provisions of the Affordable Care Act required of states including new Modified Adjusted Gross Income eligibility standards, new provider screening requirements and hospital presumptive eligibility.

7. New Pharmacy Management Contract

Initiated new Medicaid pharmacy benefit management contract with Catamaran and have seen improved performance with rebate collection, claims processing and customer service.

8. 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.

## **OMPP Significant Initiatives for FY16-17**

### **1. HIP 2.0**

OMPP is the leading agency in administering the HIP program and will provide ongoing support for HIP 2.0 implementation, including monitoring program performance and quality. OMPP will closely monitor program performance upon implementation and adjust the program as necessary to ensure its success and highest quality outcomes for beneficiaries, taxpayers, and the state.

### **2. Aged, Blind, or Disabled (ABD) Managed Care**

FSSA is designing a new risk-based managed care program for 75,000 ABD members. The RFP is expected to be awarded around November 1, 2014, with the program expected to start April 1, 2015. The first three years of the program will be critical to ensuring its success and will require close monitoring and attention to ensure appropriate care coordination for a more complex population with high health care needs. OMPP may consider expanding this program to dual eligible populations and other more costly, difficult populations currently excluded if early results show success.

### **3. HIP/HHW Managed Care Program Re-procurement**

OMPP will conduct a re-procurement of the Healthy Indiana Plan and Hoosier Healthwise programs in calendar year 2016. This is a joint procurement for providing services to 1.2 million Hoosiers and occurs every six years. OMPP will conduct a thorough analysis of the performance of its managed care programs in preparation for the new contract standards, and the contracts will need to be modified significantly for HIP 2.0 and the inclusion of pharmacy and dental benefits.

### **4. 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 include other payers. This initiative will get underway in 2015.

5. DOC Project

FSSA is entering into a MOU with the Department of Corrections (DOC) to cover prisoners in Medicaid when they receive services outside the prison system and would otherwise be eligible for Medicaid but for their incarceration.

6. End Stage Renal Disease Program

FSSA is designing a new ESRD program for individuals who lost coverage as part of the 1634 transition and would lose their place on the kidney transplant lists as a result.

7. APR-DRG Conversion

Indiana Medicaid will implement a new hospital payment system concurrent with ICD-10 implementation, currently scheduled for October 1, 2015.

8. HCBS (Home and Community Based Services) Rule

Indiana and all states must phase in compliance with a new HCBS rule issued in January 2014 that establishes new requirements for HCBS waiver programs to promote community living in the most integrated setting.

## **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 principles of self-advocacy and self-direction, quality integration through quality outcomes, and work first as key to a meaningful day. 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 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)

Two common activities across the Division have been the strategic focus on rebuilding relationships with stakeholders, families and consumers and the cross collaboration between the Bureaus within DDRS. DDRS has had some past struggles with partnering effectively with stakeholders such as INARF, the Arc of Indiana, and the varying boards and commissions that have been statutorily created. Over the last year concerted efforts have been made to ensure that each board and commission is properly staffed, that agendas are robust and allow for transparency and feedback, and that frequent workgroups and stakeholder sessions are held to work on new projects and initiatives. This collaborative effort has shown extensive outcomes in community perception as well as the Division's ability to accomplish some of the projects listed below. In addition, each Bureau Director has been asked to complete a joint project with another area as a part of their 2013-2014 performance appraisals in order to drive cross collaboration. These projects, upon completion, will result in better services for Hoosiers as well as more extensive knowledge about the services that are offered through DDRS. In addition to these projects, DDRS has moved some local offices to more closely align with other FSSA agencies, such as DFR, as well as having the first all DDRS office. This office is in Ft. Wayne Indiana where not only is BRS and BDDS located but our First Steps SPOE is located as well. This has resulted in an increase in First Steps referrals as well as cross collaboration between all FSSA agencies. This model of service will be evaluated to determine if this type of change could be effective in other offices.

## **DDRS Accomplishments in the FY14-15 Biennium**

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

BRS has undergone multiple changes in the last year in order to ensure that BRS meets its obligations to find employment opportunities to those with disabilities. Organizationally the following have occurred:

- Development of the Business and Community Engagement unit that focuses on outreach and education to ensure that appropriate referrals are made to VR and to ensure that stakeholders and communities are aware of the services available through BRS
- Assignment of a full time staff member dedicated to high school transition age students
- Establishment of a Policy Director which has allowed BRS to be on target for fulfilling a settlement agreement to promulgate BRS policies into rule

BRS has also made programmatic changes to better increase the quality of services provided to consumers. These have occurred in the following ways:

- Performance metrics were realigned with the 2014-2015 evaluation period to measure quality of services over strict adherence to compliance/time oriented goals
- In the 2014-2015 calendar year, all Community Rehabilitation Providers (CRPs) will move from a zero-based contract to more comprehensive provider agreement. This change has come through collaboration with all CRPs and

the FSSA Office of Legal Affairs in order to utilize state resources more effectively and provide better outcome measures for the CRPs

- Deaf and Hard of Hearing Services (DHHS) has worked collaboratively with State Personnel to offer discounted hearing aids to state employees which allows for better services to employees and their families
- Hearings, appeals, and mediations have moved from a contracted service under BRS to the Office of Hearings and Appeals for FSSA. This allows for more streamlined services and for more timely responses when a hearing is filed. Additionally, cost savings are anticipated with this programmatic change
- BRS in collaboration with the Department of Education and the Indiana Institute on Disability and Community have integrated Vocational Rehabilitation Transition Fact Sheets into the Indiana IEP system in order to better educate families, students, and school personnel about the services available to students through VR

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

The BDDS has had many accomplishments in the last year from a programmatic and cultural standpoint. Due to implementation of performance appraisals, all BDDS staff now have clear performance expectations, of which they will be measured by, for the 2014-2015 appraisal cycle. The Division raised expectations for the timeliness and accuracy of their work. Daily data reports outlining productivity are now sent to each local office to assist the local managers in effectively managing their work load.

In addition, BDDS has successfully transitioned 2,266 individuals who were on the waitlist for BDDS services into the Family Supports Waiver (FSW) and have transitioned 336 individuals into the Community Integration and Habilitation (CIH) Waiver since May of 2013. This total of 2,602 individuals receiving services, in the course of 12 months, is the highest the Division has completed in many years.

BDDS has also responded to the federal mandates to deinstitutionalize individuals with ID/DD by successfully closing two large Intermediate Care Facilities that housed approximately 120 individuals as well as transitioning over 25 group homes, with approximately 200 individuals, into community based settings.

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

First Steps has taken great strides to increase quality services for 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 agencies of which First Steps partners. Meetings have been facilitated with the Indiana Department of Education

(IDOE) to begin work 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):**

BQIS has undergone a vendor change which has allowed for a total evaluation of the system that was previously utilized. This vendor change has allowed for more streamlined processes, better use of technology, and overall change in strategy from a system designed to be reactive as opposed to proactive. One programmatic and philosophic change has been that BQIS has begun implementing changes to ensure that incidents and complaints are responded to in a way that addresses not only the issue that was reported but also the systemic issues. Each complaint that is investigated now provides recommendations in addition to items that must be corrected. This change has allowed the system to move towards providing technical assistance to providers in a proactive manner. The full impact of these changes has not been evaluated as they are in their infancy; however, data is and will continue to be collected to evaluate effectiveness of the change in this system.

In addition, an organizational change has occurred folding in an area to BQIS that was responsible for the enrolling of providers. This change has allowed for the evaluation of providers from their initial stage of application to the re-approval of their agreement. This combining of areas has shown increased productivity as well as organizationally shrinking the DDRS administrative hierarchy.

### **DDRS Significant Initiatives for FY16-17**

#### **Bureau of Rehabilitation Services (BRS)**

The number of Vocational Rehabilitation Service (VRS) applicants has decreased significantly since Federal Fiscal Year (FFY) 2010 where VRS was serving 33,521 clients reduced to 28,882 in FFY 2013. Analysis has been underway to determine the root cause of the reduction in clients and several factors have been identified. One solution has begun which creates a VR Technician position. This position will be responsible for case management functions that are federally required for VRS and have historically been performed by the VR Counselor. This position will allow BRS to serve a larger number of clients at a lesser cost as the Rehabilitation Technician will not require a master's degree, as the VR Counselor does, and allow the VR counselor to complete all of the non-delegable duties as outlined by the federal Rehabilitative Services Administration (RSA). Additionally, this staffing change will allow the VR Counselor to provide an important core VR service of counseling and guidance to ensure better outcomes for VR consumers.



Due to BRS identifying transition-aged students (aged 14-22) as the most significant reduction in clients serviced, VRS has also begun the planning and development for adding VR staff in high schools across Indiana to meet the needs of students with disabilities, physical impairments, and mental health needs in order to ensure successful employment post-secondary outcomes. This initiative will assist in resolving issues around a number of clients served, but more importantly, will help in achieving the overarching goals of increasing private sector employment, increasing graduation rates, and improving the health, safety and wellbeing of Hoosier families.

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BDDS has also responded to the federal mandates to deinstitutionalize individuals with ID/DD by successfully closing two large Intermediate Care Facilities that housed approximately 120 individuals as well as transitioning over 25 group homes, with approximately 200 individuals, into community based settings.

In January 2014, the 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 Indiana's HCBS waivers comply with the new federal HCBS rules that come into effect in 2014. This is a key issue for BDDS as the rule for HCBS will require a large scope of work over the next 5 years, in order to bring Indiana into compliance with this rule. Assessment of the fiscal needs of the program is currently being completed to determine what spend increase may occur as a result of more community based supports and the requirements found in the HCBS rule. There are many requirements that have been initially determined to have a significant fiscal impact over the next 5 years, and some of those include: providing day programming in a community based setting vs. a facility based setting, requirements around Person Centered Planning (PCP) and ensuring a common format/tool is utilized, and ensuring the choice of housing, roommate, services etc.

### **Bureau of Child Development Services (First Steps):**

The System Point of Entry (SPOE) as defined in 470 IAC 3.1 is the entity that serves as the point of contact in helping parents obtain services through First Steps. The SPOEs are funded through federal IDEA Part C grants among other funding sources. DDRS/First Steps has committed to complete an analysis of the funding formula in order to provide a level of transparency related to the fund allocations. DDRS is working alongside FSSA CFO to determine the best methodology to undergo this analysis as well as collecting information for other state Part C programs to better understand the national perspective of funding allocations for this program. It is anticipated that there will be a fiscal impact related to this study and potential need to address the current allocations of the SPOEs.

### **Bureau of Quality Improvement Services (BQIS):**

Currently, BQIS utilizes three separate data systems, which do not communicate with one another, to collect data regarding the health and safety of consumers. This prohibits the ability for efficient and systematic work to be completed. With the permission of the FSSA Office of Information and Technology Strategies, DDRS/BQIS is working to move out of three data systems into two until a larger case management system for FSSA can be identified. This change will allow better oversight until a larger solution is implemented.

## **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 establishes and monitors programs that serve the needs of Indiana seniors. The division's overarching vision is to re-define long-term care for consumers and providers. The DA focuses on home- and community-based services for the elderly and disabled and is also responsible for nursing home reimbursement policy.

### **DA Accomplishments in the FY14-15 Biennium**

1. With the renewal of the A&D waiver last year, slots were added for the next five waiver years, ending the waitlist that had been in place for about four years.
2. Despite the increased enrollment, the waiver team has significantly decreased the turnaround time (TAT) associated with the submission and approval of enrollee care plans. When measurement began early this year, the average TAT was approx. 28 days. This time is down to 6.5 days.
3. The State's first PACE (Program for All-inclusive Care for the Elderly) program will open in October of this year. This innovative model of care for Medicare/Medicaid

dual-eligible enrollees has been shown to improve outcomes and reduce overall spending, with a capitated provider rate.

4. The very manual and labor intensive 450B process was replaced over the course of 2013 with an electronic process. This has had some surprising results, not all of them perceived as positive. The new process has increased accountability on the part of the nursing facility community for accuracy and timeliness and that change has not been fully embraced yet, resulting in some significant processing delays. At one point the backlog was over 90 days old. However, this change has helped focus a very bright spotlight on the entire Pre-Admission Screening and 450B process and the Division is concentrating on a comprehensive overhaul in the upcoming session.
5. The State Plan on Aging, a comprehensive strategic plan for the next four years (2015-2018), was completed and submitted to the Administration on Community Living in July of 2014.
6. The Division transitioned the Waiver provider certification process to the recently organized Operations Division within FSSA in July of 2014. This change will reduce redundancies and lead to more consistent, clear and efficient certification procedures for newly enrolling Waiver providers, thereby reducing the turnaround time on the certification and enrollment process.
7. The Division is in the second year of the Value Based Purchasing Phase III/IV survey process. We contracted with Press Ganey for two years to complete satisfaction surveys of nursing facility employees, residents, and family members, with the intent that the data would be reviewed for potential use as a quality measure in the reimbursement process.
8. Operational protocols were adjusted in Money Follows the Person (MFP) to allow us to begin transitioning Psychiatric Residential Treatment Facility (PRTF) and Individuals with Intellectual Disabilities (IID) consumers in addition to the aged consumers the program has been serving to the community.

#### **Division of Aging Significant Initiatives for FY 16-17**

1. Community Living Program – We are initiating, in January 2015, the pilot established by HEA 1391. Four AAAs have been selected; we are changing eligibility and cost share parameters and establishing new policy and procedural guidelines for these pilot areas around the use of their Community and Home Options to Intentional Care for the Elderly and Disabled (CHOICE) funds, in order to better define the role of CHOICE as a source of interventional funding that can prevent or delay institutionalization of consumers. There is no change in the CHOICE appropriation for this pilot program.

## **Division of Family Resources (DFR)**

**DFR Mission Statement:** Provide the necessary tools to strengthen families through services that focus on self-sufficiency, family support, and preservation.

The Division administers cash assistance, 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 FY14-15 Biennium**

#### **1. Temporary Assistance for Needy Families (TANF):**

- Maintained steady decreases in cash assistance payments and caseloads in the Temporary Assistance for Needy Families (TANF) program as TANF recipients find employment and increase earnings through the Indiana Manpower and Comprehensive Training (IMPACT) program
- Transitioned the IMPACT service provider contract to performance-based measures
- Maintained the work participation rates for IMPACT individuals, thereby continuing compliance with federally established measures

#### **2. SNAP (Food Stamp Program):**

- Application processing timeliness has been maintained at above 95% based upon statistics provided by USDA/FNS
- Successfully changed the staggered issuance schedule as required through passage of Senate Enrolled Act 530
- Continued focus on Recipient Integrity including quarterly monitoring of excessive card replacements as well as with out-of-state transactions
- Beginning the transition to a new EBT vendor due to current vendor, JPMorgan Chase, exiting the EBT business
- Implemented data match with the Hoosier Lottery (for SNAP, TANF and Medicaid recipients)
- Implemented data match with Indiana State Department of Health in order to receive current birth and death information (for SNAP, TANF and Medicaid recipients)

#### **3. Refugee Services**

- Including primary, secondary, Asylees and Cuban-Haitians, we have provided services to 3,722 individuals.
- In May, DFR hosted a Refugee Summit at the Catholic Center in Indianapolis. The purpose of the summit was to bring together public and private organizations to determine the best method to provide services to the client population. Metrics for the success of the refugee program were established by the participants. These include the number of refugees placed in Indiana, ethnic background, percentage that attain citizenship, those that are on benefits and those in help programs and educational environments.

#### 4. Electronic Benefits Transfer (EBT)

- The Farmer's Market program was successfully implemented across the state. Several farmers' markets across the state have the ability to accept EBT cards.
- A total of 134,510 cards were created with 68,787 of them being initial card creations.

### **DFR Significant Initiatives for FY16-17**

#### 1. **HIP 2.0**

Meetings are being held regularly on all categories of HIP 2.0 implementation. These categories include policy, systems, operations, vendor involvement and communications. The actual starting date to take applications has yet to be firmly established. DFR is the primary voice in the operations discussions. The operations response is being coordinated with FSSA Operations as well as vendors, Deloitte, Xerox and Phoenix. Current focus is on creating a simplified and integrated application, streamlining the determination process, identifying the amount of human and capital resources to be added, and training of the field staff to handle HIP 2.0.

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. **Hybrid Review**

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. The plan has had no real assessment since implementation. The purpose of the review is to identify those successful components and build on them and those processes that need to be refined or changed.

### **3. Indiana Eligibility Determination Services System (IEDSS)**

Deloitte is the primary vendor in the creation of a new eligibility system that will replace the Indiana Client Eligibility System (ICES). The tentative timeline for the rollout is scheduled for March 2015, with completed rollout by November 2015. This timeline will most likely be adversely affected by the HIP 2.0 rollout as resources are being diverted to that initiative. Since the project is currently in a part development and maintenance stage the funding for this initiative is 80% federally reimbursable.

### **4. SNAP Education and Training**

FSSA plans to institute mandatory Education and Training E&T for segments of the population that were receiving SNAP benefits. This initiative is a collaborative effort with the Indiana Department of Workforce Development (DWD). The rollout of a pilot program in the Allen County area is scheduled for October, 2014. It was determined that DWD has the resources and the expertise to lead this important initiative. The focus group of the program would be the abled bodied adults without dependents (ABAWD) group on SNAP.

## **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 promotes 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, addiction treatment services, and managed care providers. DMHA provides funding support for mental health and addiction services to target populations with financial need through a network of managed care 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 14-15 Biennium**

- 1.** Implementation of 1915i state plan amendments to ensure services to consumers.
  - Behavioral Primary Healthcare Coordination is a new service created as part of the state's conversion to 1634 services.

- Child Wraparound Services will provide services through the systems of care to children in the community needing high intensity services.
  - Adult Mental Health Habilitation will provide habilitative services to consumers.
2. The federal Substance Abuse and Mental Health Services Administration (SAMHSA) has granted tentative approval to target the 5% set aside required from the mental health block grant to provide funds to the first break clinic at Midtown/Eskenazi.
  3. In collaboration with the state Department of Veterans' Affairs (DVA), a coalition of stakeholders is meeting regularly to improve access to behavioral health services for service members and their families. A key participant is the Military Family Research Institute at Purdue University.
  4. DMHA and the Department of Child Services (DCS) have successfully implemented the Child Mental Health Initiative that provides access to services for children who are uninsured but not in Medicaid. Partnering with the 25 Community Mental Health Centers (CMHCs), access through this initiative is now available in all 92 counties.
  5. All state hospitals were surveyed by the Joint Commission (JC) in the past year. Each hospital was re-certified. Four hospitals (Carter, Madison, Evansville, and Logansport) earned "Top Performer" status from the JC.
  6. A new electronic medication management system was implemented across the state hospitals. Building upon a successful model at Madison, medication carts and upgraded software were purchased for the other SOFs to improve patient safety and reduce costs.
  7. Two new superintendents have been appointed in the past year. Eric Heeter at Larue Carter and Terry Suttle at Richmond.
  8. Pay for performance clauses in contracts with the CMHCs has dramatically improved compliance with the required duties of the gatekeepers and facilitate timely discharge.
  9. DMHA initiated and 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.

## **DMHA Significant Initiatives for FY 16-17**

- 1. State Operated Facilities (SOFs)** – There are 6 state hospitals with 830 total bed capacity; 753 beds occupied=91% (as of 06/30/2014)
  - Increase in female adolescent referrals creates a wait list for these services. We are exploring the potential of opening an additional unit of 12 beds to accommodate this population.
  - Pharmacy and electronic health record system implementation is currently underway. Pharmacy system is operational and work continues on the EHR.
  - Physician recruitment and retention is an ongoing issue. We have brought several physicians on as state employees but still have a number of contracted positions and locum tenens doctors.
  - Continue to collaborate with the DOC for maintenance services at the Madison State Hospital.
  
- 2. Community Treatment** - Indiana has a statewide mental health and addiction recovery system that ensures treatment availability in all 92 counties through contracts with 25 community mental health centers and addiction providers. DMHA state funds are utilized for individuals with a serious mental illness and/or a substance use disorder, and that are at or below 200% of poverty.
  
- 3. Adult Services**
  - Mental Health
    - Implementation of newly approved 1915i programs – Behavioral and Primary Healthcare Coordination and Adult Mental Health Habilitation – DMHA provides the clinical review of applications for these programs.
    - SAMHSA has established a 5% set aside requirement for the Mental Health Block Grant. DMHA is partnering with the Prevention and Recovery Center for Early Psychosis (PARC) at Midtown/Eskenazi to expand outreach and services for adults following their first psychotic break.



- Integrated care models including health homes and partnership with ISDH. DMHA is establishing a MOU with the Health Department to share a position devoted to further developing integrated care model.
- Re-design of the quality assurance program. Shifting from contractor to DMHA staff responsible for the Quality Assurance process.
- Continuing to work with DDRS to establish improved access and services to persons dually diagnosed with mental illness and Intellectual and Developmental Disabilities (ID/DD).
- Substance Abuse Treatment
  - Working to improve treatment provider readiness for integration with physical and mental health services.
  - Prevention efforts to be better coordinated with Criminal Justice Institute and other prevention grant-making agencies.
  - Rules revision for oversight of the 13 opioid treatment programs to align with recent legislative action related to patient education, medications used, and the availability of “take home” medications. There is significant interest from some legislators regarding this treatment modality.

#### **4. Children’s Services**

- Indiana was awarded from SAMHSA a one-year grant to develop a comprehensive strategic plan intended to assess and expand the System of Care in Indiana. The Division of Mental Health and Department of Child Services and the National Alliance on Mental Illness (NAMI) Indiana formed a partnership to continue as collaborative agencies to work together to complete this grant project.
- 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.
- State Adolescent Treatment Enhancement Dissemination Grant: a 3 year Federal Cooperative Grant from SAMSHA/CSAT (Center for Substance Abuse Treatment). The purpose of this funding opportunity is to increase/improve capacity to provide effective, accessible substance abuse treatment and recovery support services for adolescents 12 up to 18 years of age, and their families throughout the State.

- The Children’s Mental Health Advisory (CMHA Board) comprised of voluntary service providers, state agency members, family advocates, as well as youth and family advocates as well as youth and family members, to assist the State in providing oversight and governance for the behavioral health service delivery systems and state-wide system of care.

## **Office of Early Childhood and Out of School Learning**

### **Vision and Mission Overview**

The vision of 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 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 options of programs for their children ages birth to 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 14-15 Biennium**

OECOSL includes the following business areas: Licensing/Registration, Quality Improvement, Child Care Development Fund (CCDF) Program and Policy, Operations and Early Education. Aside from the Early Education team, which is new this year, each area has experienced significant accomplishments over the past two years.

#### **1. Licensing/Registration:**

- Implemented new crib requirements issued by the Consumer Product Safety Commission
- Implemented Health & Safety initiatives in collaboration with Paths to QUALITY resulting in safer environments for children
- Successful collaboration with the Department of Child Services on joint visits to child care facilities for investigation of CPS complaints

- Inspected and regulated approximately 1,325 child care facilities and 2,805 child care homes
- Investigated a two year total of 1,260 complaints within child care facilities and 1,413 within child care homes
- OECOSL completed over 5,000 onsite inspections to child care programs to ensure the health and safety of children within child care programs
- From 1/1/2012 – 12/31/2013, completed 144,255 background checks for homes, ministries, centers, and Exempt CCDF providers, ensuring that adults who should not be allowed to work with children due to prohibitive criminal histories are not employed or volunteering within regulated child care.
- Improved coordination with FSSA Compliance on investigations of fraud, thereby improving program integrity and accountability which allows OECOSL to increase services to eligible low income families.

## **2. Quality Improvement:**

- Paths to QUALITY continues to lead the nation's quality rating and improvement systems in enrollment in a voluntary system (90% of all centers, 65% of all licensed homes, and 12% of all Registered Ministries). We have exceeded our enrollment goals every year since implementation in 2009.
- Paths to QUALITY continues to exceed our level advancement goals for enrolled programs and Indiana is also among the leaders of the nation in the percentage of licensed centers and homes that are nationally accredited.
- The 85% annual goal for providers maintaining the highest level of quality (Level 4) was met and exceeded in June 2014 at 95.8%. Providers find it very challenging over time to continue to maintain the higher quality standards.
- Over 10,000 families received personalized assistance in locating high quality early care and education or school age child care for their children. Currently almost 28,000 children are enrolled in a Paths to QUALITY program.
- 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. The project 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 level through Indiana higher education institutions, and also for the national Child Development Associate (CDA) Credential. In June 2014 there were 122 active Bachelor level scholarships, 306 active Associate level scholarships, and 278 active CDA Credential scholarships.

- In June 2014 there were also 279 active early childhood providers enrolled in non-formal CDA training that leads to the national CDA Credential.

### **3. CCDF Program and Policy**

- Successful implementation of tiered reimbursement rates which allows low income families to select higher quality care programs and better supports the sustainability of high quality early learning and school age programs.
- Over 64% of CCDF families are currently enrolled in a Paths to QUALITY provider.
- Successful implementation of changes to IC 12-17.2-3.7 effective July 1, 2014, resulting in safer environments within unlicensed CCDF programs.
- Inspected and regulated approximately 600 CCDF licensed exempt homes and facilities to ensure compliance with state and federal regulations.
- The successful prosecution of a large CCDF Marion County provider for CCDF fraud, resulting in both jail time and a large repayment.

### **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, allowing for increased accountability, effectiveness and efficiency across all business areas of OECOSL.
- Implementation of awareness and mitigation of risk training within OECOSL, including the revision of all policy and procedure documentation.
- Increased contract monitoring for improved accountability, effectiveness and efficiency.

### **Current Challenges:**

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

#### **1. Licensing/Registration:**

- Unsafe conditions in unlicensed, illegally operating child care homes. The number of fatalities increased from 8 in 2012 to 11 in 2013. 10 of the 19 fatalities were in unlicensed, illegally operating homes.

- Increased demands from changes in legislation around required criminal history checks. Additional legislative changes have greatly increased the number and scope of criminal history checks on child care staff and volunteers that must be completed by the OECOSL. The OECOSL is currently conducting approximately 31,000 checks each year. Each check consists of three steps, the checking of the national criminal history check, the Child Protection Index and the Sex Offender Registry. There are significant challenges in communication with both employers and subjects of the checks, and with the maintenance of confidentiality.
- The recruitment and retention of highly qualified staff. Increased opportunities in the field of early care and education have resulted in numerous staff leaving for higher paying jobs.
- High caseloads and an increase in the demands on consultants including an increase in the number of complaints received and investigated, from 784 in 2011 to 1,356 in 2013, and an increase in the number of CPS complaints received over the last 2 years. These increases are likely due to increased public awareness and more effective communication across agencies. Each investigation is essential to the safety of children, is time consuming and adds to the existing pressure caused by the high case loads.
- High risk of litigation. FSSA is at risk of tort claims from families whose children have experienced death and/or injury within a child care program.
- Implementing the new federal Child Care and Development Block Grant (CCDBG) regulations when promulgated.

## **2. Quality Improvement**

- As Paths to QUALITY, the Early Education Matching Grants and the Pre-K Pilot program increase the demand for high quality providers, the need for quality support including education, training and technical assistance increases.
- Implementing the new federal CCDBG regulations when promulgated, including new requirements on providing parents with information and supporting increased safety standards among providers receiving CCDF funds.

## **3. CCDF Program and Policy:**

- The CCDF voucher program maintains a significant waitlist of eligible families. It is an on-going challenge to serve families as quickly as funding allows. A lack of quality child care remains the number one barrier to work for low income parents.

- Recent legislative changes to IC 12-17.2-3.5 including HEA 1036 enacted in 2014, make significant changes to the required standards for unlicensed child care programs that wish to take public funding through the CCDF program. These changes include staff to child ratios and on-going training. Most of these changes do not come into effect until July, 2015; however, it will take a full year of communication with and support of the approximately 1,000 impacted child care programs to ensure a smooth implementation of the new regulations without disruption to families and the workforce.
- Implementation of the new electronic time and attendance system.
- Implementing the new federal CCDBG regulations when promulgated including moving to a twelve month redetermination period.

#### 4. **Operations:**

- Ensuring that the Indiana Child Care Information System (CCIS) data system stays up-to-date on all information security threats.
- Implementing the new federal CCDBG regulations when promulgated.

#### 5. **Early Education/Pre-K:**

- Successful implementation of both the Early Education Matching Grants and the Pre-K pilot. The Pre-K pilot established by HEA1004 requires significant policy and infrastructure development, community and family outreach, fund raising, the procurement and contracting of a social scientist to conduct the required longitudinal study, and the implementation of a Kindergarten Readiness Assessment and Program Accountability Structure. The deadline for a full launch of the pilot July, 2015; however, an early launch date of January, 2015 is a priority. The OECOSL is working closely with the Center for Education & Career Innovation (CECI) on implementation.

### **OECOSL Significant Initiatives for FY 16-17 Biennium**

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

1. Design and implementation of an additional Paths to QUALITY pathway for Pre-K classrooms in public schools
2. Pre-K Pilot Program roll out, June 2015
3. New time and attendance system roll out, Spring 2015
4. Upgraded Automated Intake Eligibility System, Fall 2015

5. Second release of the Early Education Matching Grant, Fall 2014
6. Implementation of new health and safety regulations for unlicensed CCDF providers, July 2015
7. Three program and child outcome studies will be completed, including a Purdue study of outcomes of CCDF children enrolled in a variety of provider types, a study on the effectiveness of the Early Education Matching Grant program conducted by IU and the longitudinal outcome study of the Pre-K Pilot Program (researcher yet to be selected).
8. Development of an enhanced professional development system including the development and adoption of Core Knowledge and Competencies needed by workers, a website with professional development information, and plans for an inventory of higher education institutions. Additionally an updated workforce study will be completed by 2015.

### **FSSA's Overall Initiatives for FY 16-17**

Continuing to meet the health and human services needs of Indiana's population within a fiscally responsible balanced budget will always be challenging. 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.

### **Key Performance Indicators**

#### **KPI 1: Percentage of timely program application processing**

(HIP, Hoosier Healthwise, Medicaid, Medicaid Disabled, SNAP & TANF)  
FSSA strives to process applications for Hoosiers requesting need-based assistance in a timely manner by evaluating and making accurate eligibility determinations of their applications within established timelines associated with each specific program. The timely processing of all applications will reduce the costs and the potential damages associated with delayed eligibility actions.

#### **KPI 2: Percentage of appeals reversing original eligibility decisions**

(Medicaid, SNAP & TANF)  
FSSA strives to process applications for Hoosiers requesting need-based assistance in a timely manner by evaluating and making accurate eligibility determinations of their applications within the established timelines associated with each specific program. By measuring the percentage of appeals overturned, FSSA can actively manage the accuracy of its initial decisions.

**KPI 3: Percentage of individuals enrolled in a work related program who maintains a job for more than 30 days**

(IMPACT & Vocational Rehabilitation)

FSSA provides Hoosiers with training and skill-development resources that lead to sustainable jobs. Putting Hoosiers to work results in positive, long-term benefits including a direct impact on our state's economy engaged and fulfilled citizens, and less reliance on public programs.

**KPI 4: Average number of months an individual spends enrolled in an FSSA program**

(HIP, Hoosier Healthwise, SNAP & TANF)

By measuring the average time spent enrolled in an FSSA program, the agency can better monitor efforts to actively promote the support structures necessary to return Hoosiers to stability.

**KPI 5: Percentage of repeat FSSA program enrollees**

(Hoosier Healthwise, SNAP & TANF)

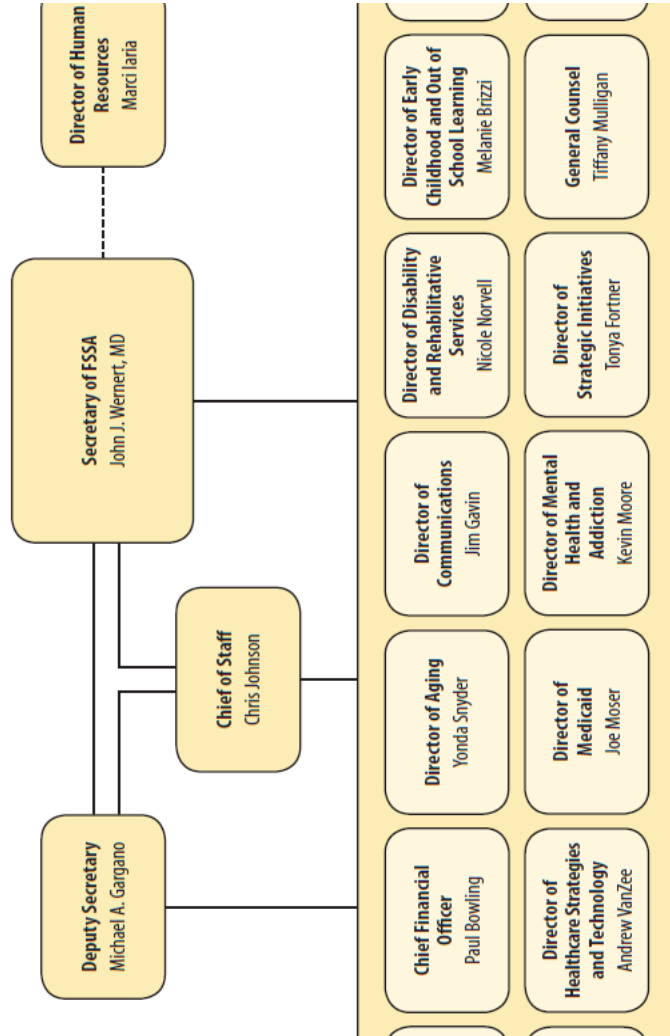
FSSA promotes a coordinated, cohesive approach within Indiana's support structure to return Hoosiers in a timely manner to a fulfilling, self-sustained and productive life. By measuring the percentage of repeat enrollees in an FSSA program, the agency can better see the success and long term results of their efforts to return Hoosiers to stability.



**Organizational Chart:**



**FSSA Organizational Chart**



**Change Packages**

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

- FSSA has included a change package within our budget submission for the cost of the continuation of the On My Way PreK program for SFY2016 and SFY2016. We are requesting an additional general fund appropriation of \$10.0M each fiscal year to cover the cost of providing services for this program.

Sincerely,

Dr. John J. Wernert  
FSSA Secretary