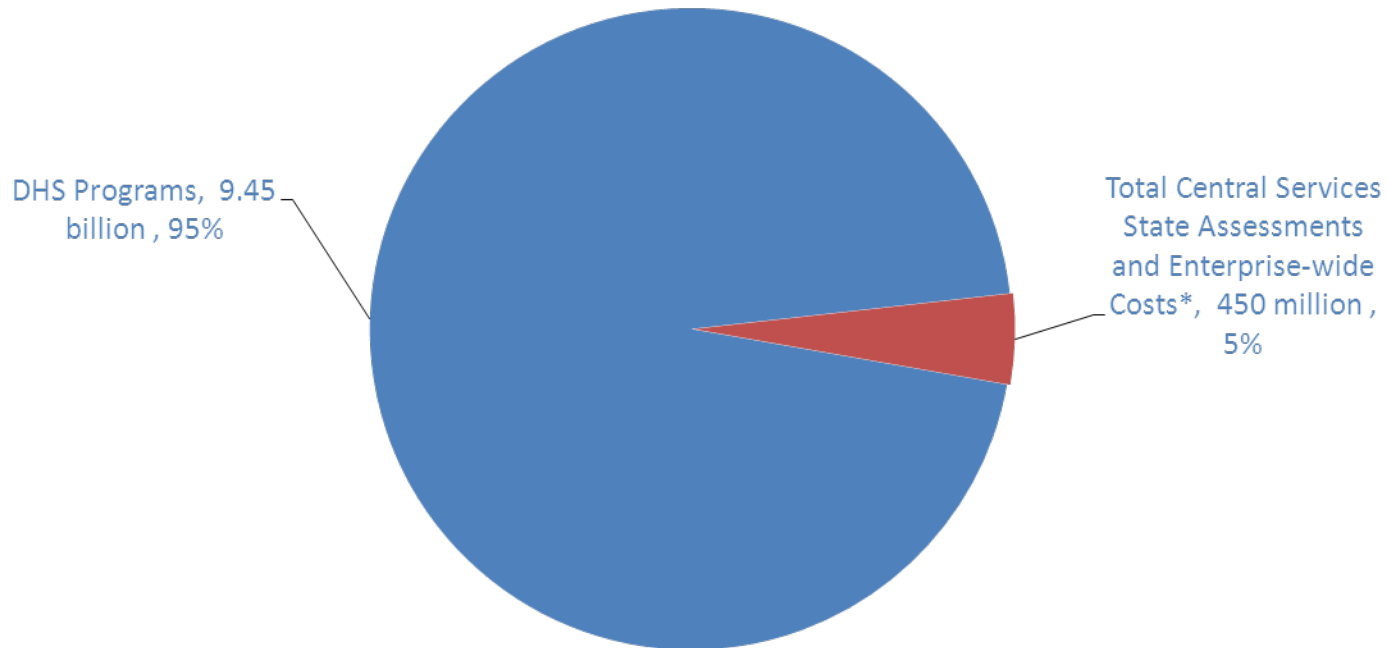# Central and Shared Services

Joint Ways and Means Committee
Human Services Subcommittee

April 8, 2015
Jim Scherzinger, DHS Chief Operating Officer
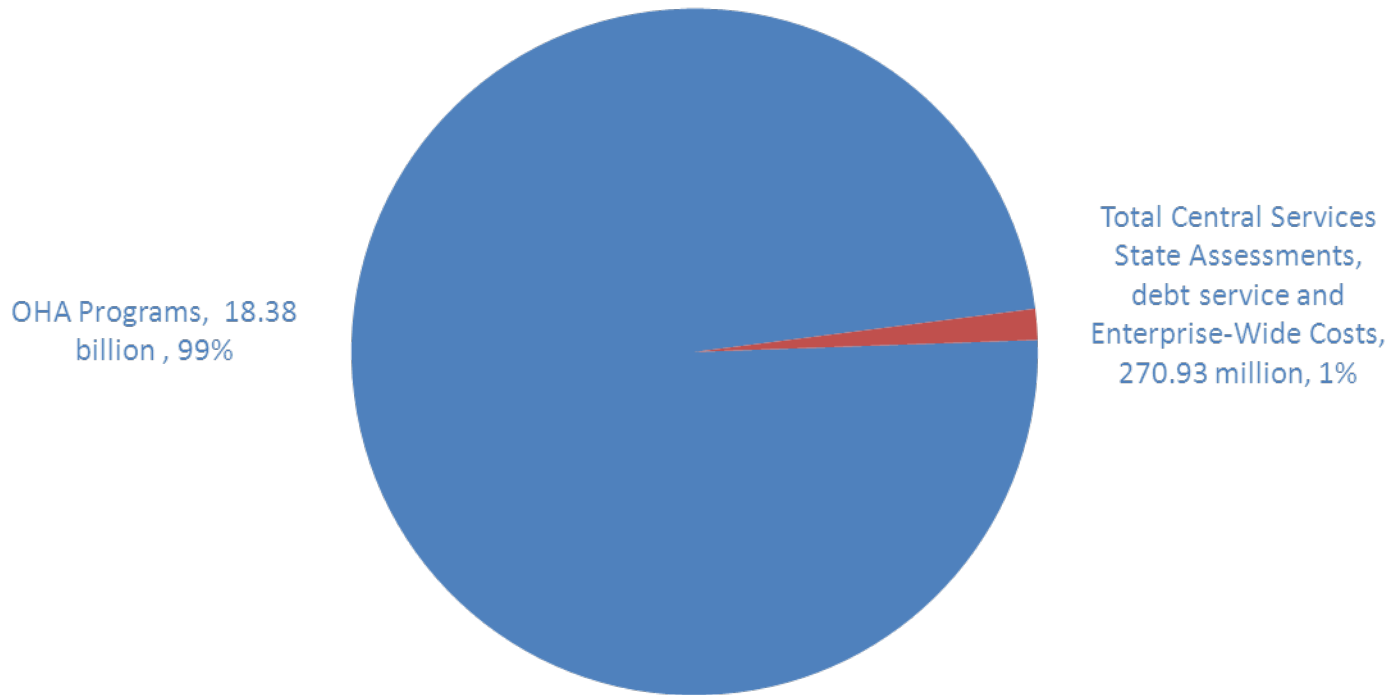Suzanne Hoffman, OHA Chief Operating Officer

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Department of Human Services (DHS)
2015-17 Governor's Budget
Total Fund by Program Area
9.90 billion

DHS Programs, 9.45 billion , 95%

Total Central Services State Assessments and Enterprise-wide Costs*, 450 million , 5%

*excludes 116.7 double counted OF for shared services

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Oregon Health Authority (OHA)
2015-17 Governor's Budget
Total Fund by Program Area
18.65 billion

OHA Programs, 18.38 billion , 99%

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

*Excludes $136.7 million double counted OF for Shared Services office

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Central, Assessments and Shared Services Total Funds

DHS Central, Shared and Assessments Total Funds

- Shared Services Funding, $166.5 , 29%
- Treasury Cash Flow Loan Limitation, $30.0 , 5%
- Debt Service, $10.1 , 2%
- Central Services, $34.1 , 6%
- Shared Services, $116.7 , 21%
- State Assessments and Enterprise-wide Costs, $210.2 , 37%
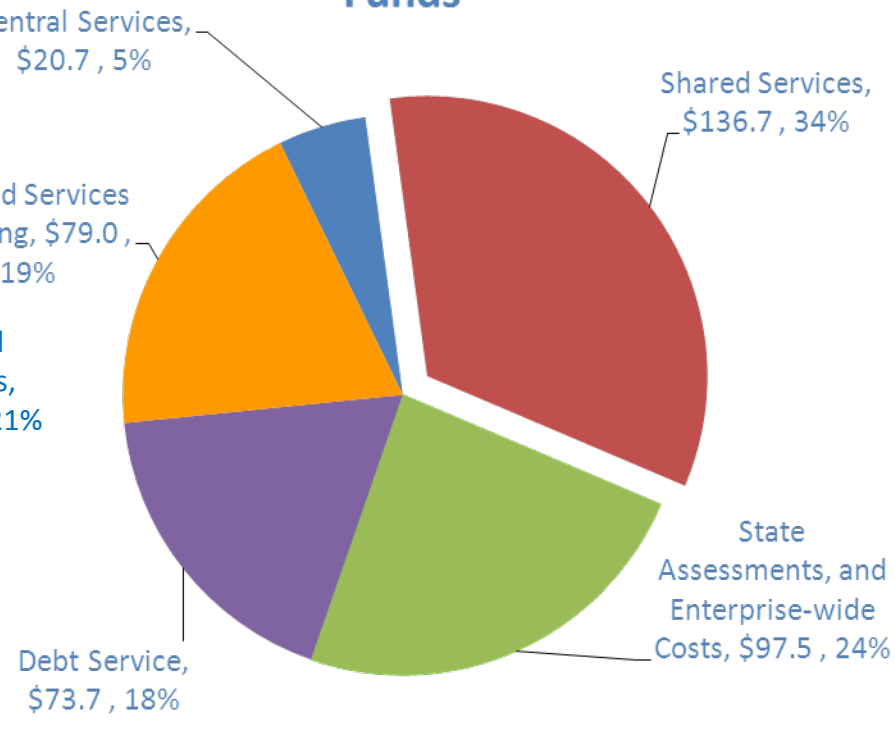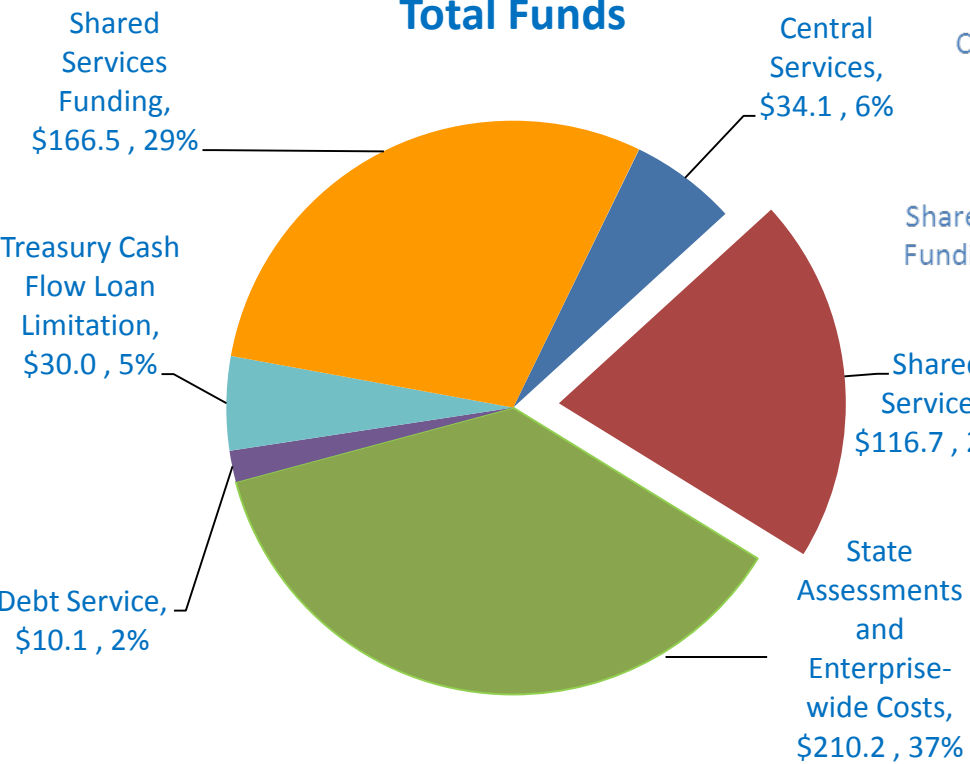
GF	OF	FF	TF
$220.2	$148.9	$198.5	$567.6

OHA Central, Shared and Assessments Total Funds

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

GF	OF	FF	TF
$169.5	$162.2	$75.9	$407.6

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Central, Assessments and Shared Services by Type

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

Central Services, $34.1 , 7%

Shared Services Funding, $166.5 , 37%

Treasury Cash Flow Loan Limitation, $30.0 , 7%

Debt Service, $10.1 , 2%
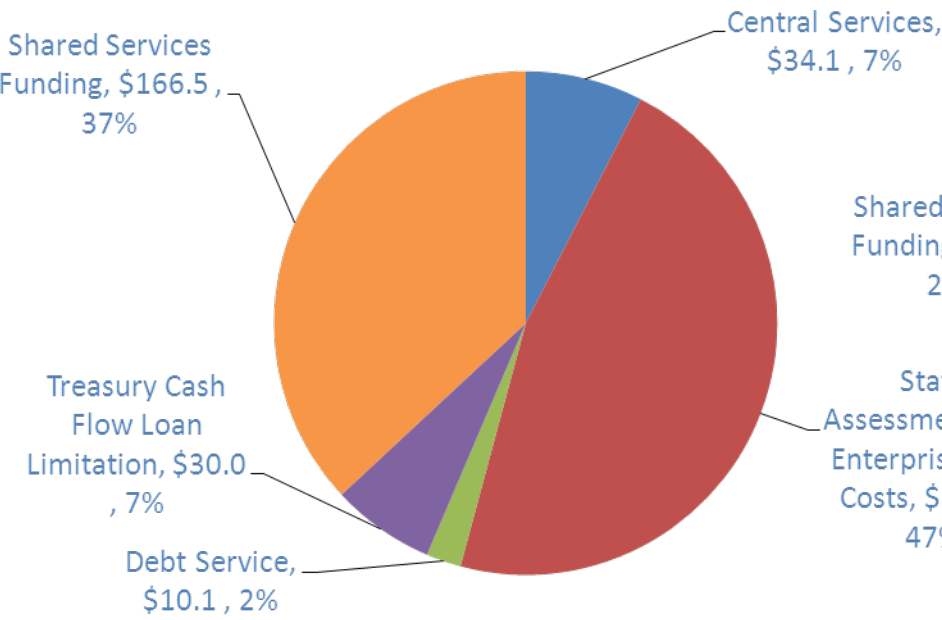
State Assessments and Enterprise-wide Costs, $210.2 , 47%

Excludes $116.7 double counted OF for shared service offices

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

Central Services, $20.7 , 8%

State Assessments, Debt service and Enterprise-wide Costs, $97.5 , 36%

Shared Services Funding, $79.0 , 29%

Debt Service, $73.7 , 27%

Excludes $136.7 double counted OF for shared service offices

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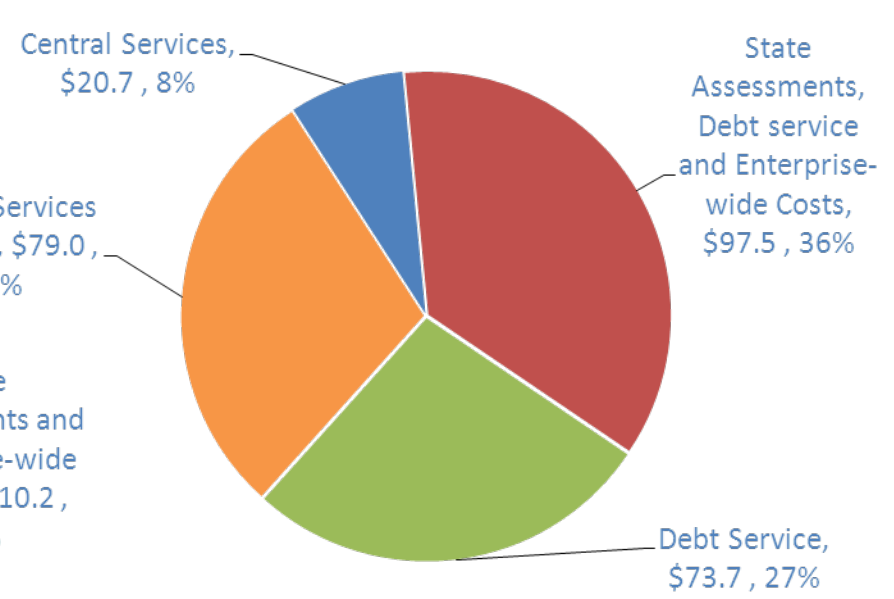
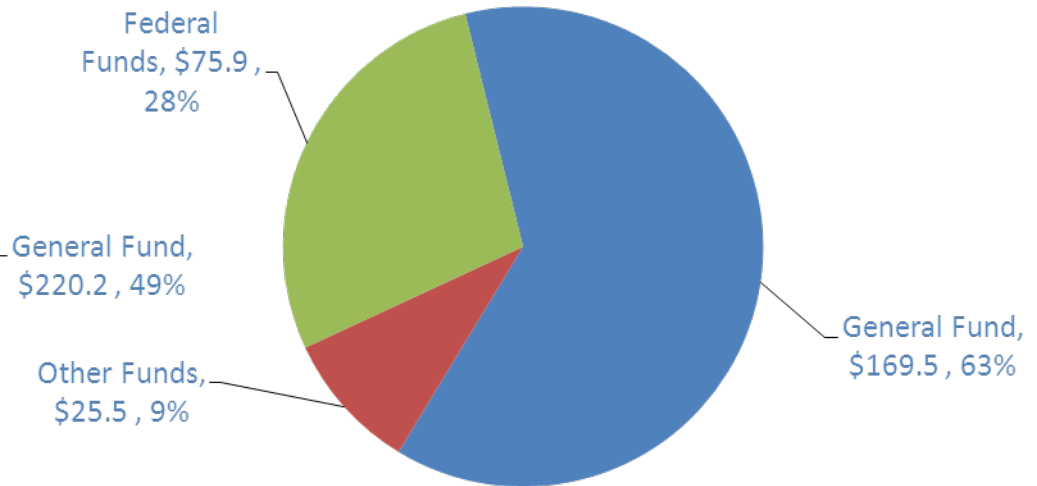# Central, Assessments and Shared Services by Fund Type

DHS Central, Assessments and Shared Services by Fund Type
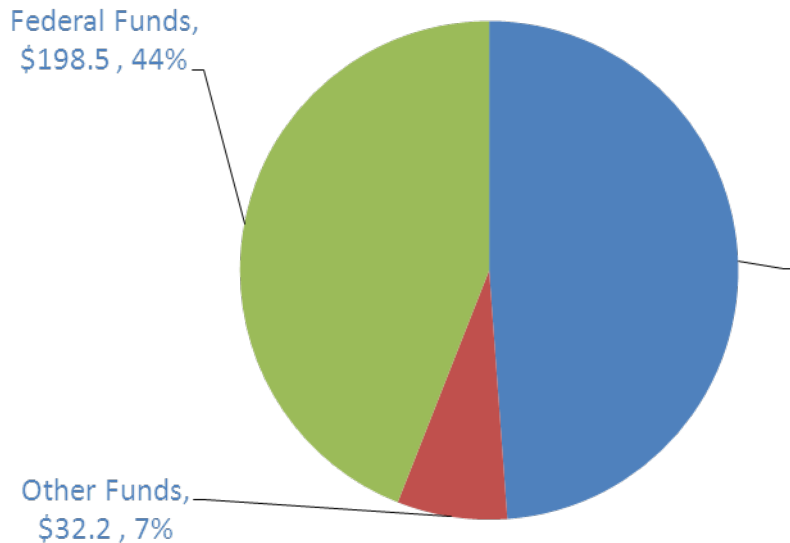
- Federal Funds, $198.5 , 44%
- General Fund, $220.2 , 49%
- Other Funds, $32.2 , 7%

Excludes $116.7 double counted OF for shared service offices

OHA Central, Assessments and Shared Services by Fund

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

Excludes $136.7 double counted OF for shared service offices

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OHA and DHS Payments for Shared Services

DHS/OHA Program Funding

$7.9
TF

+

DHS/OHA Shared Service Funding

$245. 5
TF

=
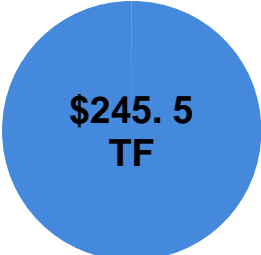
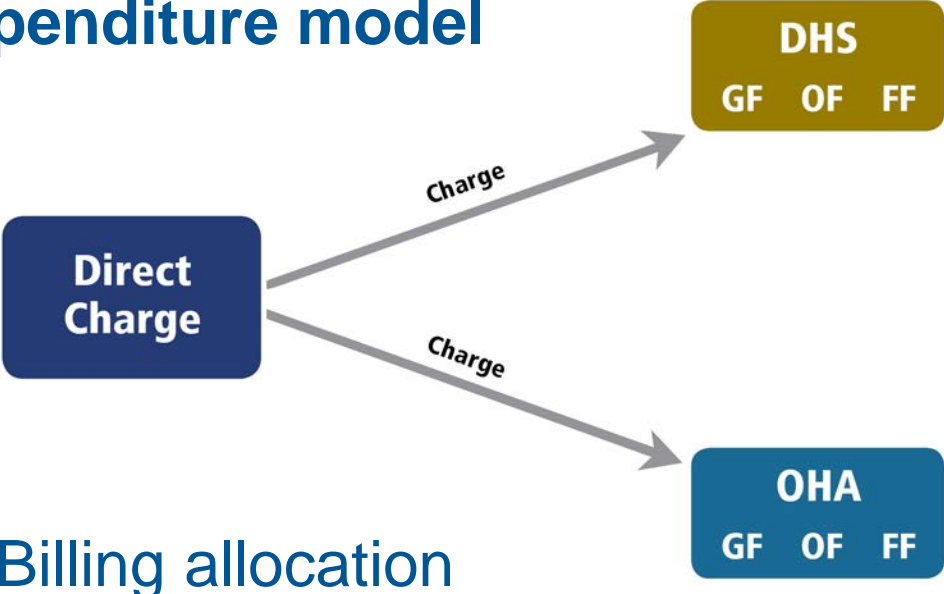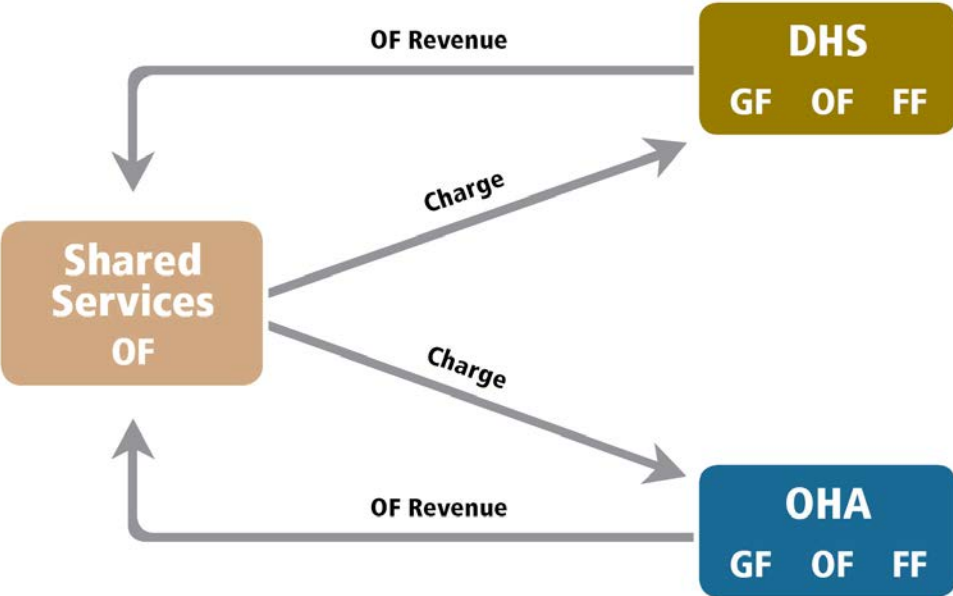**OHA and DHS Shared Services**

$253.4
OF
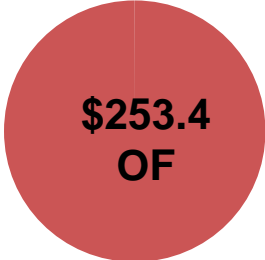
Revenue / Expenditure model

Billing allocation

Process now completely automated

State Assessments and Enterprise-wide Costs

GB Total Funds

| Internal Charges	DHS	OHA	Total DHS & OHA	%
Facilities (includes rent, maintenance & utilities)	114.08	30.22	144.30	21.6%
Debt Service	10.07	73.65	83.72	12.6%
IT Expendable/Break Fix	4.98	2.63	7.61	1.1%
Mass Transit	2.42	2.34	4.76	0.7%
Unemployment	2.44	0.61	3.05	0.5%
Shared Services Funding	166.48	78.98	245.46	36.8%
Treasury Loan OF Limitation	30.00	0.00	30.00	4.5%
State's Charges:				
State Data Center	39.84	34.12	73.96	11.1%
Risk Assessment	17.98	7.83	25.82	3.9%
Secretary of State, Audits Division	7.02	6.24	13.26	2.0%
Telecommunications	3.68	2.02	5.70	0.9%
DAS - Chief Financial Office (CFO)	2.42	2.79	5.21	0.8%
DAS - E-Government Program	0.15	0.08	0.24	0.0%
DAS - Enterprise Security Office	0.42	0.24	0.66	0.1%
DAS - Chief Human Resources Office	3.42	1.90	5.32	0.8%
Enterprise Goods & Services (EGS) - (EGS SFMA/Datamart)	3.35	0.04	3.39	0.5%
Enterprise Goods & Services (EGS) - Procurement	0.29	0.32	0.61	0.1%
Oregon State Library	0.83	0.53	1.36	0.2%
DAS - Chief Operating Office	1.54	0.84	2.38	0.4%
All Others	5.39	4.86	10.25	1.5%
Total	416.82	250.24	667.06	

Note: IT Break/fix is about ½ funding needed for a 4 year PC replacement lifecycle

DHS and OHA Central and Shared Offices (TF in millions)

DHS Central	GB	POS	FTE
Office of Director & Policy	$ 11.4	21	21.00
Office of Human Resources	$ 6.3	24	24.00
Budget, Planning Analysis	$ 4.1	16	16.00
Office of Communications	$ 0.6	2	2.00
Legal/Rules/Legislative Relations	$ 4.2	11	11.00
Governor's Advocacy Office	$ 1.5	8	7.42
Office of Equity & Multicultural Services	$ 4.5	8	7.84
Office of Administrative Hearing	$ 1.5	0	0.00
DHS Shared Service			
Shared Services Administration	$ 1.1	3	3.00
Budget Center	$ 3.1	15	15.00
Office of Forecasting & Research Analysis	$ 2.7	12	12.00
Office of Financial Services	$ 25.6	156	151.83
Human Resources Center	$ 14.9	73	71.00
Facilities Center	$ 4.9	28	28.00
Imaging & Records Management Svcs	$ 11.2	76	74.29
Office of Contracts & Procurement	$ 9.0	45	44.58
Office of Adult Abuse Prevention and Investigation	$ 9.5	51	49.13
Internal Audit and Consulting	$ 2.0	10	9.41
Office of Payment Accuracy & Recovery	$ 28.8	185	166.42
Performance Excellence Office	$ 1.6	6	6.00
Publication and Design Section	$ 2.3	14	14.00
Total Central and Shared Services	**$ 150.8**	**764**	**733.92**

OHA Central	GB	POS	FTE
Office of Director & Policy	$ 9.9	10	9.58
Office of Human Resources	$ 5.1	25	24.35
Budget Planning & Analysis	$ 4.6	23	22.50
Office of Communications	$ 1.1	5	5.00
OHA Shared Service			
Office of Information Services	$ 133.2	460	452.01
Information Security and Privacy Office	$ 3.5	9	8.50
Total Central and Shared Services	**$ 157.4**	**532**	**521.94**

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Governance of Shared Services
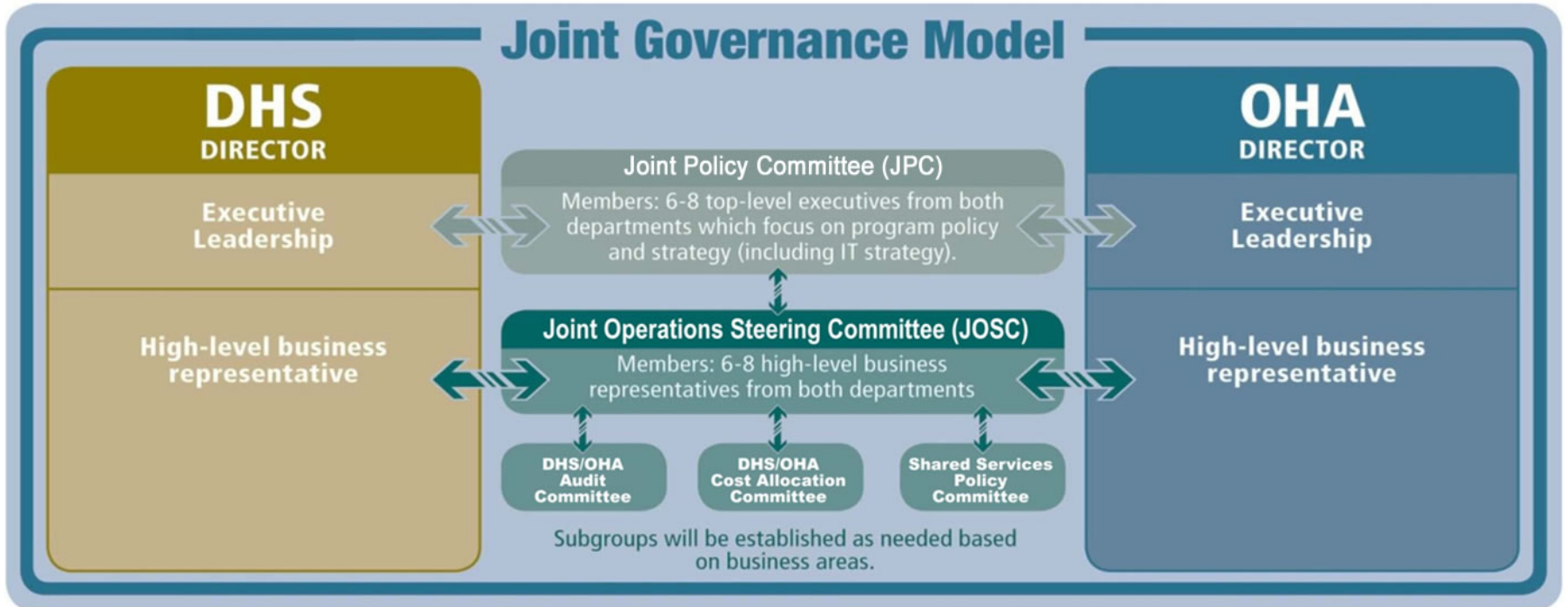
Payment, Accuracy and Recovery (OPAR)

- **Identify overpayments and third- party payers**
  - **Data matches**
  - **Provider audits**
  - **Referrals from field, audits, reviews**
- **Collect overpayments**
  - **Providers**
  - **Clients**
  - **Third parties**
  - **Estates**
- **Investigate fraud**
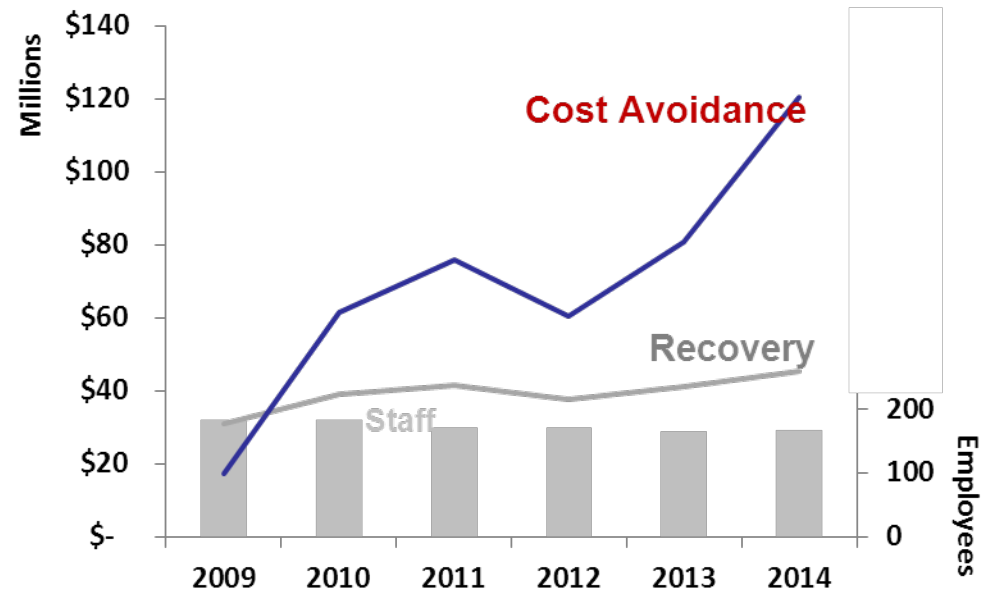
Recovery – funds collected
- **Most captured as cost reductions**

Cost avoidance – costs shifted or prevented
- **Largest is shifted to third parties**

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Financial Services

- **Accounts/contracts payable**
- **Accounts receivable**
- **Payroll**
- **Travel reimbursement**
- **Trusts**
- **Financial reporting**
  - **State financial report**
  - **State budget**
  - **Grant reporting**
- **E-commerce**
- **Receipting**
- **Cash management**
- **Cost allocation**
- **System interface**
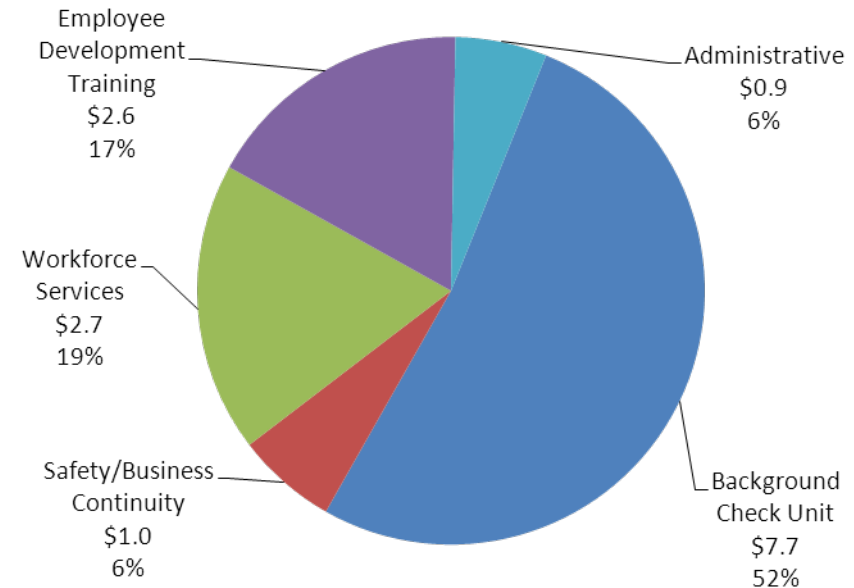 - **20 check writing/warrant systems**
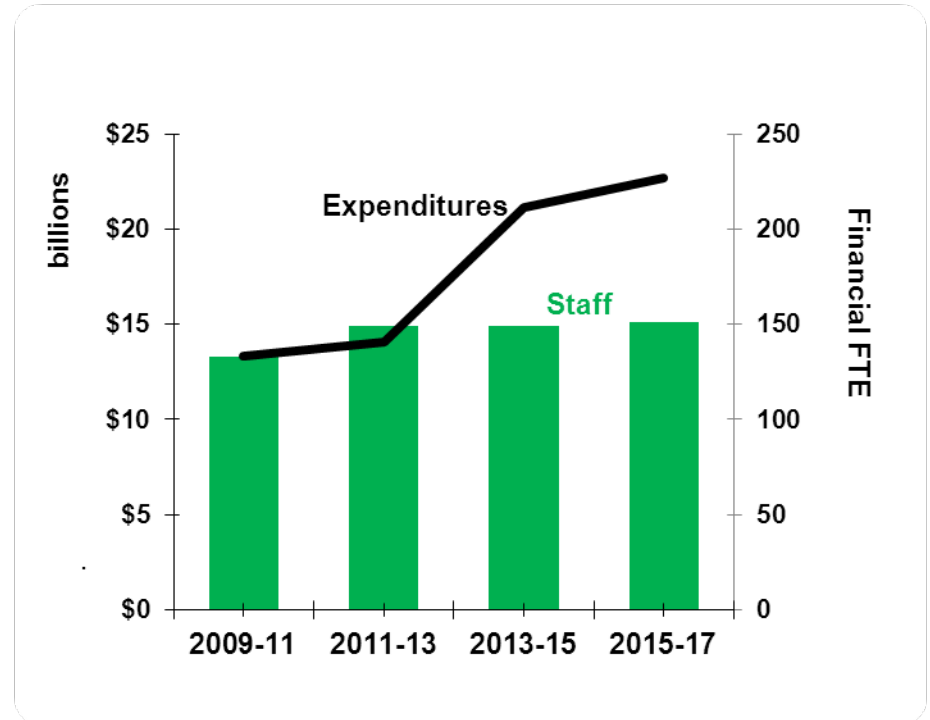
Accomplishments
- **DHS and OHA Gold Star**
- **New travel system**
- **$200,000 credit card rebate**
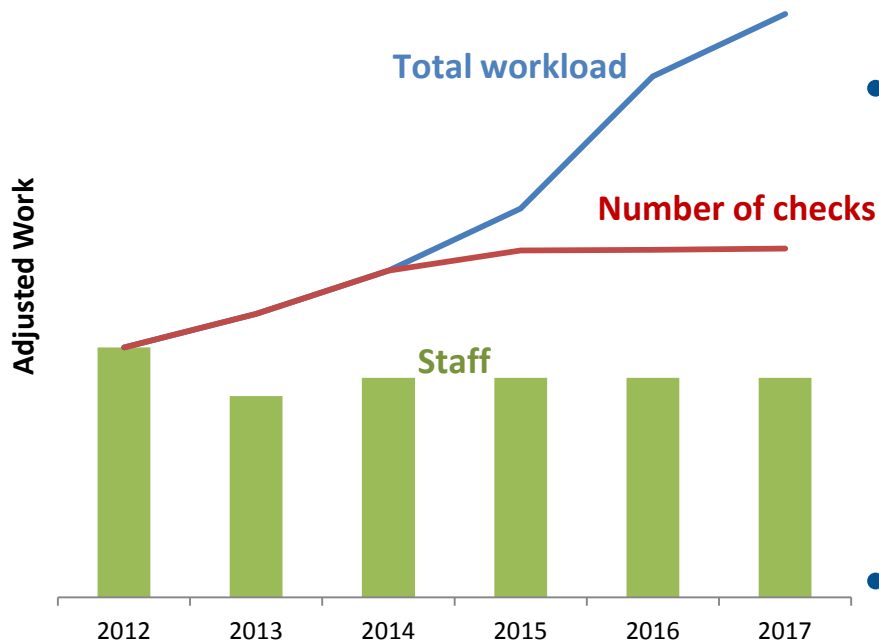
Human Resources Central

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

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

- **Safety/ Business continuity**

Human Resource Center (In millions)

Employee Development Training $2.6 17%
Administrative $0.9 6%
Workforce Services $2.7 19%
Safety/Business Continuity $1.0 6%
Background Check Unit $7.7 52%

- **Employee development**
  - **Core values**
  - **Cultural competency**
  - **New employee/manager**
  - **Leadership**

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Background Check Unit (BCU)
Increased Workload Due to Complexity

Total workload

Number of checks

Adjusted Work

Staff

2012 2013 2014 2015 2016 2017

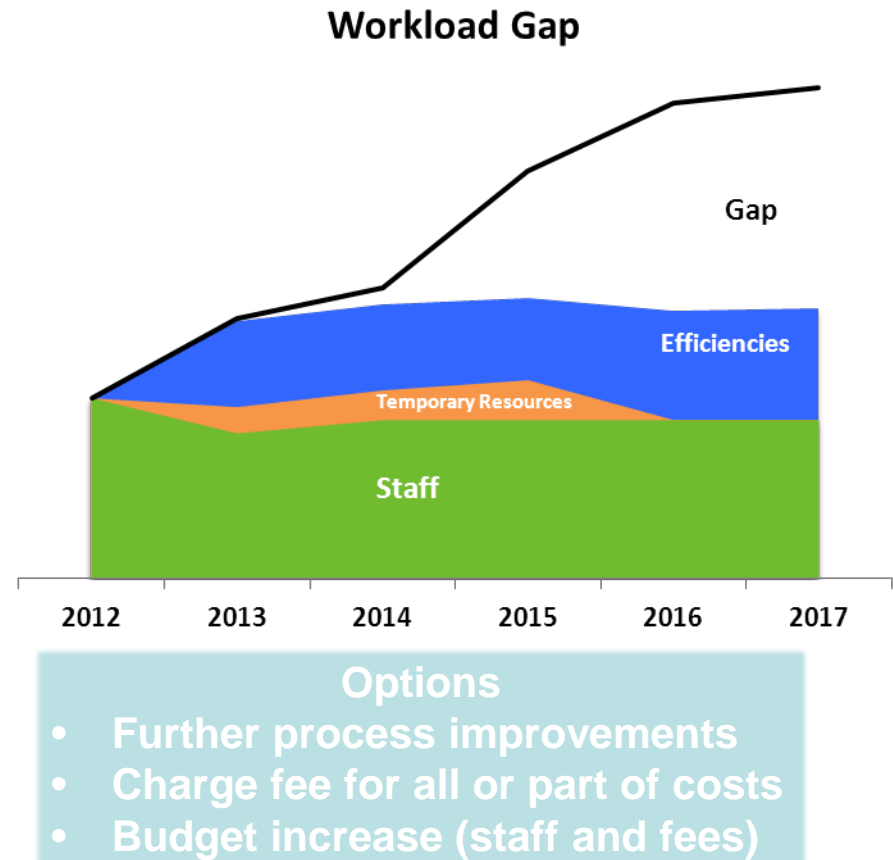**Consequences of slow checks**
- **Delayed hiring**
- **Delayed employment**
- **Delayed services**

- **Fitness determinations to BCU**
  - **2012**

- **New federally required national checks**
  - **Excluded Medicaid providers**
    - **120+ lists, half are manual**
    - **Begins 2015**
  - **All child care providers**
    - **Currently 5.7% require FBI checks**
    - **Begins 2017**
  - **More under consideration**

- **Determinations using out-of-state history more difficult**

- **6-7% annual increase in checks**

- **Stricter Criminal Justice Information Services security requirements**

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Background Check Unit (BCU)

Performance Increases to Date

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

Workload Gap

Gap

Efficiencies

Temporary Resources

Staff

2012 2013 2014 2015 2016 2017

Options
- **Further process improvements**
- **Charge fee for all or part of costs**
- **Budget increase (staff and fees)**

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Imaging and Records Management (IRMS)

Functions

- **Convert paper applications to electronic**
  - **Key punch**
  - **Character recognition**
- **Install and support electronic workflow for programs**

Benefits

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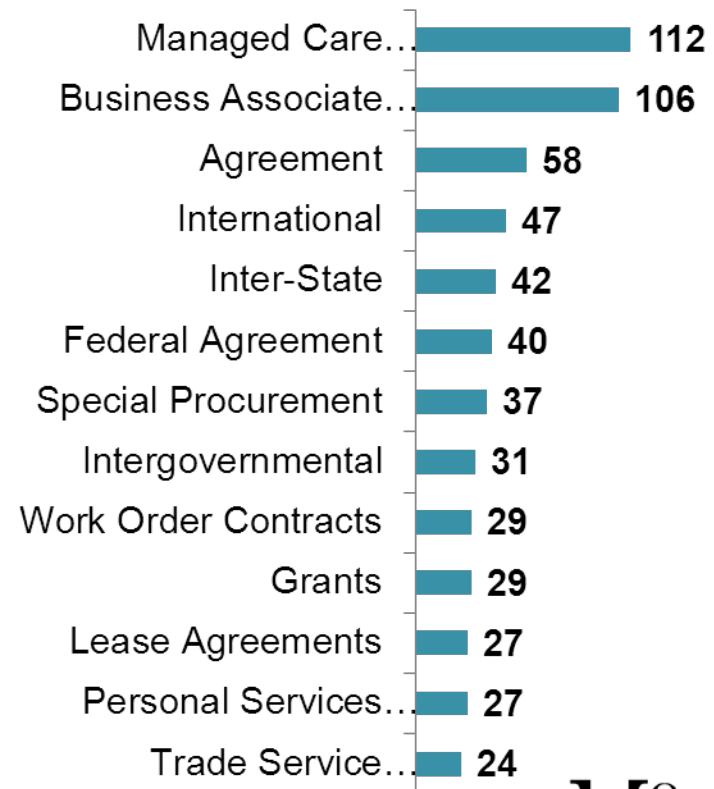

Pages Processed
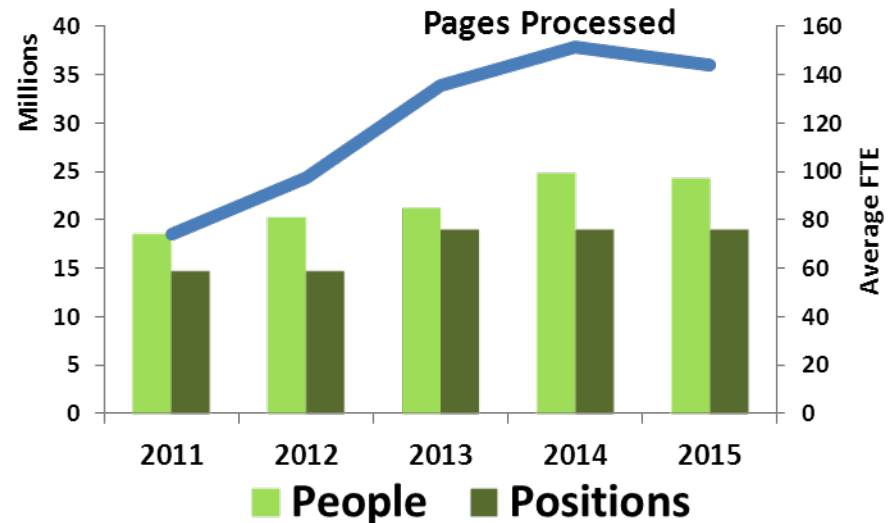
People | Positions

Issue

- **More people than positions**
  - **Inefficient to shift work to program**
  - **In long run, goal to automate eligibility**

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Contracts and Procurement

- **Coordinate purchasing of goods**
- **Prepare and issue solicitations**

- **Prepare and execute contracts and governmental agreements**
- **Oversight of program contracts**
- **Training**
- **Contract maintenance**
- **8,922 contract actions per biennium**
- **$10+ billion in contracts**

Median processing days
All actions

Action	Days
Managed Care...	112
Business Associate...	106
Agreement	58
International	47
Inter-State	42
Federal Agreement	40
Special Procurement	37
Intergovernmental	31
Work Order Contracts	29
Grants	29
Lease Agreements	27
Personal Services...	27
Trade Service...	24

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Adult Abuse Prevention and Investigations

What is Adult Abuse?

- – Physical harm or injury
- – Verbal/emotional abuse
- – Financial Exploitation
- – Involuntary seclusion
- – Self-neglect
- Financial Exploitation Data:
  - – http://www.oregon.gov/dhs/spwpd/adult-abuse/Documents/Financial-Exploitation-Oregon.pdf
- Statewide # **1-855-503-SAFE**

Adult Protective Services

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

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Safety and Protection: Adult Protective Services Outcomes

2013

2014

10,625 New Allegations

11,681 New Allegations

+10% increase

March '13: 134: Avg. # Late Cases

March '14: 67: Avg. # Late Cases

43% reduction

March '13: 20.5 Late Cases per Investigator

March '14: 9.1 Late Cases per Investigator

44% reduction

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Other Shared Services

Budget Center
- **Technical support for budget process**
  - Position control (PICS)
  - Budget (ORBITS)

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

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

Publications and Design
- **Desk top publishing**
- **Accessibility**
  - Translations
  - Alternate formats

Performance Excellence
- **Repurposed to support critical needs**

Internal Audit and Consulting
- **Internal audits**
- **Coordination of external audits**
- **Consultations and risk management**

Administration

DHS GB Investments in Central and Shared

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

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

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

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Questions?