



DEPARTMENT OF HUMAN SERVICES – FOLLOW UP ON IN-DEPTH BUDGET REVIEW

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: STEPHEN JARDINE AND ZACK KING

ISSUE BRIEF

SUMMARY

The Human Services In-depth Budget Review (found at <http://le.utah.gov/interim/2010/pdf/00001613.pdf>) was assigned by the Executive Appropriations Committee (EAC) and later heard by EAC and the Social Services and Executive Offices and Criminal Justice Appropriations Subcommittees. The in-depth review included 15 major recommendations and 14 other additional recommendations. The two subcommittees passed intent language to have Human Services report back on the progress and status of the review's recommendations during the 2012 General Session. The Office of Legislative Auditor General did a performance audit of the Division of Child and Family Services (DCFS) in conjunction with the in-depth budget review. The Social Services appropriations subcommittee also passed intent language to have DCFS report back on the progress and status of the audit recommendations during the 2012 General Session (see separate document *Issue Brief – FY2013 - DHS – Follow Up on Child and Family Services Performance Audit*). Recommendations are included.

LEGISLATIVE ACTION

1. The Fiscal Analyst recommends the Subcommittee adopt intent language requiring the department to report progress and status to the Social Services and Executive Offices and Criminal Justice subcommittees during the 2013 General Session in order to track ongoing progress and status of items regarding the review's recommendations.
2. For major recommendation number 1 regarding DCFS decreasing office time and increasing field time by the use of non-traditional work schedules, laptops, cell phones, and other technologies, the Fiscal Analyst further recommends, as part of its 2013 reporting, DCFS present measures and data demonstrating increased efficiency and effectiveness from the technology purchases.
3. For major recommendation number 3 regarding the department realign priorities and decision making by moving State Hospital funding to counties since counties are responsible for hospital placements, the Fiscal Analyst further recommends the involved parties report during the 2012 General Session Division of Substance Abuse and Mental Health presentation.
4. For major recommendation number 6 regarding the state selling or leasing five Division of Services for People with Disabilities' (DSPD) group homes to providers at market rates, the Fiscal Analyst further recommends DSPD and DFCM issue RFPs prior to the 5 group home leases expiring in 2015 to sell or lease the buildings subject to the conditions that: 1) the state receive market value for the asset or the state's financial position is improved from the current arrangement, 2) client services would continue to be provided at a similar cost to DSPD, and 3) any new arrangement would not cause significant disruption to clients.
5. For major recommendation number 11 regarding ORS and DFCM plans to exit the HK Tower lease when it comes due in FY 2014, the Fiscal Analyst further recommends DFCM and ORS work with the Infrastructure and General Government Appropriations Subcommittee regarding plans to proceed.
6. For major recommendation number 13 regarding output and outcome measures, the Fiscal Analyst further recommends the subcommittee review *Output and Outcome Measures* issue briefs associated with each division within the department.
7. For major recommendation number 14 regarding the department developing reports for major budget areas and routinely sharing them with the Legislature, Governor's Office, and the public by publishing them on public websites,

the Fiscal Analyst further recommends the department continue to develop reports for major budget areas below division level reports. Several examples of such areas would be foster care, adoption assistance, and the disability waiver programs, but would also include many other programs contained within the department.

8. For major recommendation number 15 regarding annually reporting distribution of specified statewide services by county to the Legislature, the Fiscal Analyst further recommends these measures be reported with a comparison to current relevant population percentages. This report is intended to give the Legislature a sense of how statewide resources expended for statewide purposes compare to expected statewide usage based upon population. For example, the Utah State Hospital forensic unit and the Utah State Developmental Center continue to have much larger census counts from Salt Lake and Utah counties than would be expected. All other counties have a smaller census count than expected. Both the divisions of Child and Family Services and Juvenile Justice Services continue to expend much larger resources for eastern regions of the state than would be expected. These two divisions also spend much less of their resources for Utah County, by nearly half, than would be expected.
9. For additional recommendation number 2 regarding DSPD providing a detailed update of administrative and regional staff responsibilities and functions to the LFA by September 1, 2011, the Fiscal Analyst further recommends the Division of Services for People with Disabilities report to the Office of the Legislative Fiscal Analyst by September 1, 2012 the detailed update as originally requested.
10. For additional recommendation number 11 regarding ORS and DWS reviewing the cost and benefit of examining for supplemental health insurance products, the Fiscal Analyst further recommends the subcommittee review this status report and determine future actions, if any.
11. For additional recommendation number 12 regarding Office of Recovery Services considering the cost and benefit of electronically accessing Department of Workforce Services' income information into its system in order to automate required calculations now performed manually, the Fiscal Analyst further recommends the subcommittee review this status report and determine future actions, if any.
12. For major recommendation numbers 5 and 9 and additional recommendation numbers 3, 4, and 13, no further follow up is necessary.

BACKGROUND

An in-depth budget review was done on the Department of Human Services (including the Division of Juvenile Justice Services) and reported to the Executive Appropriations Committee (EAC) in November of 2010. EAC voted to have the report heard in the Health and Human Services (now Social Services) and Executive Offices and Criminal Justice appropriations subcommittees. Both subcommittees heard the in-depth review and subsequently passed intent language to have Human Services report during the 2012 General Session on the progress and status regarding its recommendations (SB 2, items 15 and 83 from the 2011 General Session).

Simultaneously, the Office of the Legislative Auditor General (OLAG) did an audit of the Division of Child and Family Services (Report 2011-02 : *A Performance Audit of the Division of Child and Family Services (DCFS)* found at http://le.utah.gov/audit/ad_2011dl.htm). Both OLAG and the Office of the Legislative Fiscal Analyst coordinated efforts around DCFS. OLAG also reported its audit findings to the Social Services Appropriations Subcommittee and the subcommittee approved intent language requiring DCFS to report back during the 2012 General Session on its progress regarding the OLAG recommendations (see separate document *Issue Brief – FY2013 - DHS – Follow Up on Child and Family Services Performance Audit*).

The in-depth budget review included 15 major recommendations and 14 additional recommendations. Status and implementation for all 29 recommendations is reported in this brief in compliance with intent language. That progress is described below.

LEGISLATIVE ACTIONS TAKEN FOLLOWING THE IN-DEPTH BUDGET REVIEW

Legislative actions on the DHS in-depth budget review recommendations have been taken in the following four general ways:

1. Intent language included in 2011 appropriations bill (SB 2, items 15 and 83) initially passed in both the Social Services (SS) and Executive Offices and Criminal Justice (EOCJ) subcommittees to have DHS report its progress on recommendations during the 2012 General Session,
2. In-depth review recommendations incorporated into budget reductions or budget actions during the 2011 General Session,
3. Specific motions or requests from the SS and EOCJ subcommittees were given to DHS for follow up, and
4. Forwarded several in-depth review recommendations to the Infrastructure and General Government Appropriations subcommittee for further action.

PROGRESS AND STATUS ON THE REVIEW’S 29 RECOMMENDATIONS

Selected 15 Major Recommendations

1. The Division of Child and Family Services (DCFS) establish a pilot program that would decrease office time and increase field time by the use of non-traditional work schedules, laptops, cell phones, and other technologies. (P. 28)

With better technology field workers could be more efficient and effective.

Status: “Completed. DCFS is moving from standard cell phones to smart phones and from desktop computers to laptops. Caseworkers can access and accomplish more of their business functions in the field which include cell calls, texting, email, resource searches, SAFE access and GPS addresses. Desktop phones are being eliminated for caseworkers.”

LFA recommends the subcommittee include this item in 2012 General Session intent language to ensure follow through and continued reporting. LFA further recommends, as part of its 2013 reporting, DCFS present measures and data demonstrating increased efficiency and effectiveness from the purchases.

2. DCFS explore alternatives to housing case workers in single, private offices and paying for multiple high-cost leases around the state. (P. 83)

The division currently provides case workers and support staff with single, private offices.

Status: “Completed. DCFS combined two offices into one building in St. George with lease savings of \$773,000 over the available 10 year term. Office space was reduced by 1,534 square feet as the layout of the office is now cubicle based. As leases

come due, space and requirements are reviewed to apply this recommendation.”

LFA the subcommittee include this item in 2012 General Session intent language for follow up reporting.

3. The department realign priorities and decision making by moving State Hospital funding to counties since they are responsible for hospital placements. The department and counties should provide options to the Analyst by November 1, 2011. (P. 41)

Direct State Hospital funding discourages counties from managing service costs.

Status: “Completed. The Utah State Hospital Funding Study Group report was submitted to the LFA.”

LFA recommends this report be presented to the Subcommittee during the Division of Substance Abuse and Mental Health presentation during the 2012 General Session. The provided report is included in the appendix.

4. The Legislature eliminate or provide authority for the ARTC program at the State Hospital. (P. 38)

All Human Services programs have statutory authority except the State Hospital 5-bed Acute Rehabilitation Treatment Center (ARTC) program. It provides acute beds for rural community mental health centers that do not have community inpatient psychiatric beds

Status: “In Progress. UBHC and DSAMH formed a work group to review the issues surrounding ARTC.

USH and DSAMH staff had a meeting with the finance staff of the Department of Health to discuss rate setting issues for USH in order to explore financial options for ARTC. The taskforce will reconvene to finalize their recommendations.”

LFA recommends the subcommittee include this item in 2012 General Session intent language to ensure follow through and continued reporting.

5. The department disclose to the Legislature all federal block grants: available balances, authorized federal amounts, detailed projected expenditures, and changes on an ongoing basis. (P. 75)

Four federal block grants used by the department are highly flexible and can be transferred across line items and departments, accumulated off the budget, and used according to agency rather than legislative direction.

Status: “Completed. The department provided information to the Fiscal Analyst, which has been included in the 2012 General Session Issue Brief – Social Services Related Revenue Options.”

No further action needed.

6. The state sell the five Division of Services for People with Disabilities’ (DSPD) group homes or lease them to providers at market rates. (P. 84)

The state built five, \$450,000 group homes for the Division of Services for People with Disabilities and currently leases these buildings at no cost to private providers. Other providers house individuals in division programs at their own expense.

Status: “Analysis Completed: report submitted to LFA.”

LFA recommends DSPD and DFCM issue RFPs prior to the 5 group home leases expiring in 2015 to sell or lease the buildings subject to the conditions that: 1) the state receive market value for the asset or the state’s financial position is improved from the current arrangement, 2) client services would continue to be provided at a similar cost to DSPD, and 3) any new arrangement would not cause significant disruption to clients. The provided report is included in the appendix.

7. The Department of Facilities Construction and Management (DFCM) and the department study how to best use 62,400 square feet of vacant building space and use or sell 250 acres of excess lands at the Developmental Center. (P. 80)

The Developmental Center has 62,400 square feet of vacant facility space available and 250 acres of available farm land.

Status: “In Progress. A Strategic Planning Committee has been meeting for several months, which includes Department of Health, Division, Department of Human Services, and stakeholder representation, to develop plans for the use of vacant building space and excess lands at the development center. Stakeholders are reviewing draft recommendations.”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

8. The Developmental Center and the State Hospital annually provide the Analyst with a detailed average direct and overhead cost per patient. (PP. 17 and 39)

The department does not collect detailed costs per individual at the State Hospital or the State Developmental Center, inhibiting legislative and management analysis of treatment alternatives.

Status: “Completed. The Utah State Developmental Center and Utah State Hospital reports were submitted to the LFA.”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting. The provided reports are included in the appendix.

9. The department post transaction level detail showing vendor/payee on the Transparency website. (P. 74)

The Analyst recommends the department post transaction level detail showing vendor/payee information on the Transparency website.

Status: “Completed. The information requested that shows vendor/payee detail on the Transparency website is now available as part of the implementation of CAPS, the USSDS rewrite.”

No further action needed.

10. DFCM assist the Office of Recovery Services (ORS) to find other state agencies to share 23,000 square feet of vacant lease space in the HK Towers. (P. 83)

The Analyst recommends DFCM assist the Office of Recovery Services to find other state agencies to share 23,000 square feet of vacant lease space in the HK Towers.

Status: “In Progress. DFCM has shown vacated space in HK to three different potential state tenants. To date no other State agencies have expressed a commitment to lease the space. DFCM continues to seek potential State tenants to fill the vacated space.”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

11. ORS and DFCM plan to exit the HK Tower lease when it comes due in FY 2014 and explore options in state owned facilities. (P. 82)

The Analyst recommends ORS and DFCM plan to exit the HK Tower lease when it comes due in FY 2014 and explore options in state owned facilities.

Status: “In Progress. DFCM and ORS plan to issue an RFP for office space lease in Salt Lake County six to nine months prior to the end of the HK lease (in July 2014).”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting on developing plans. The LFA further recommends DFCM and ORS work with the Infrastructure and General Government Appropriations Subcommittee regarding plans to proceed.

12. DFCM develop new space standards based on current needs and employee information. (P. 81)

The Analyst recommends DFCM develop new space standards based on current needs and employee information.

Status: DFCM has now reviewed the recommendation and agrees that space standards should be updated. Funding to update the space standards is a request in the Infrastructure and General Government Appropriations Subcommittee.

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

13. All department divisions follow best practices for performance measures (P. 65 in App. #3):
 - Measure things that matter
 - Focus on outcomes, then outputs
 - Compare internally and against other states

The best department examples are DCFS for state provided services and the Division of Substance

Abuse and Mental Health (DSAMH) for contract services.

Agency performance measures vary widely in quality and quantity.

Status: “Analysis Completed. Improvements are ongoing. The Department of Human Services appreciates the importance of performance measures and is engaged in a continuous effort to improve the measures for its programs. The Executive Director has communicated this to the leadership team and is working with each division to focus attention on measuring what matters based on the statutory missions.

The first step is to analyze the current measures that are used based on the following criteria:

- Core mission and services;
- Using measures as a management tool;
- Telling the story of program effectiveness; and
- Best practices and national standards.

Next, identify measures that need to be improved. And finally, identify outcome measures that speak to the impact and effectiveness of programs. At the same time, the Department recognizes that output measures which identify the demands on our services are important to manage our resources efficiently and prudently. All performance measures, both output and outcome, need to align with the statutory mission of the agency and the services provided.

The Department has prioritized attention to performance measures of the divisions and offices with the following order and emphasis:

Juvenile Justice Services – measures have been improved and initiated to focus on the importance of recidivism in assessing the effectiveness of programs on preventing and reducing juvenile crime and the burden on the justice system.

Child and Family Services – focus existing measures on guiding management decisions regarding resource allocation and policy.

Substance Abuse and Mental Health – improved communication of measures of the oversight function for accountability and system quality.

Services for People with Disabilities – expand measures of providers from support coordinators to fiscal agents and other service providers, and improve website for reporting measures.

Aging and Adult Services – use adult protective services case information to recommend appropriate referral services for clients and continue to track cost savings for community alternatives to nursing home placements.

Office of Recovery Services – continue excellent, currently required measures that assess the efficiency and effectiveness of collection and cost avoidance efforts.”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting on the department’s progress. The LFA recommends the subcommittee further review *Output and Outcome Measures* issue briefs associated with each division within the department.

14. All programs develop easily understood reports regarding major budget areas and routinely share them with the Legislature, Governor’s Office and the public by publishing them on public websites (various pages).

Department programs collect detailed financial information which is often difficult for outsiders to obtain and understand once they do get it.

Status: “Completed. An easily understood Budget Report for the Department and for each of the Divisions was created and posted to the Department’s web site (<http://www.dhs.utah.gov/pdf/BUDGET%20REPORT.pdf>).”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting on the department’s progress. The LFA further recommends the department continue to develop reports for major budget areas below division level reports and routinely share them with the Legislature, Governor’s Office and the public by publishing them on public websites. Several examples of such areas would be foster care, adoption assistance, and the disability waivers, but would include many other ‘programs’ contained within the department.

15. The department annually report distribution of services by county to the Legislature for:
- State Hospital Forensic Unit (P. 42)
 - Utah State Developmental Center (P. 20)
 - DCFS regional budgets (P. 32)
 - DJJS detention and secure care facilities (P. 52).

Some department services do not appear to be distributed in a manner consistent with relevant populations.

Status: “Completed. The above referenced reports were submitted to the LFA.”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting. The LFA further recommends these measures be reported with a comparison to current relevant population percentages. This reporting is intended to give the subcommittee a sense of how statewide resources expended for statewide purposes compare to expected statewide usage based upon population. For example, the Utah State Hospital forensic unit and the Utah State Developmental Center continue to have much larger census numbers from Salt Lake and Utah counties than would be expected. All other counties have less utilization than expected. Both the divisions of Child and Family Services and Juvenile Justice Services continue to expend much larger resources for eastern regions of the state than would be expected. These two divisions also spend much less of their resources for Utah County than would be expected. The provided reports are included in the appendix.

14 Other Remaining Recommendations

Multiple Agency

1. As it completes its USSDS Rewrite by April 2011, the Analyst recommends the department make USSDS detailed transaction records available annually and on a timely basis to the Legislature and the Governor. (#2 on p. 16 and #2 on p. 28)

78.9% (\$155 million) of all DSPD transactions and 40.2% (\$63.2 million) of all DCFS transactions are not available to the Legislature and Governor for review. The Governor's Optimization Commission recommended "accelerate robust information systems and tools to measure performance, increase communication, and institutionalize accountability" (page C-2).

Status: "Completed. USSDS was replaced with CAPS (Contracts Approvals and Payments System). As part of CAPS, there is a new interface with FINET, the State's accounting system. Through the new interface, provider (vendor) names are included in information sent to FINET. For certain confidential payments, "DHS Provider" is included in the transmittal to FINET instead of the actual provider name. The Transparency website pulls data from FINET; therefore provider names are available on the Transparency website."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

Division of Services for People with Disabilities

2. The Analyst recommends DSPD provide a detailed update of administrative and regional staff responsibilities and functions to the LFA by September 1, 2011 after its structural changes have had time to take effect. (#4 on p. 17)

Significant changes have been made to the organizational structure of the Division of Services for People with Disabilities through the consolidation of regions, the elimination of offices, and contracting for support coordinators. Outside observers have questioned the staff efficacy under the new organization in the context of reductions to services. A review of the DSPD organization and the purpose of its functions would help to assure the value of its current staff structure.

Status: "Update Completed. Improvements are in Progress. The division's administrative structure has

been streamlined by reducing positions, including, two associate director positions, all regional director positions, a technical writer position, secretarial/training support positions and a research tech position. The administrative and regional responsibilities and functions of the eliminated positions have been consolidated at the administrative office and transferred to the employees who still remain.

The division has privatized the support coordinator function and most of the people served have been transferred to a support coordinator who works under a private contract with the state. Around 20 support coordinators continue as state employees. The state support coordinators complete required functions for new cases, assist consumers with transition to private providers, and complete required assessments and documentation. The privatization of support coordination has allowed the division to vacate offices around the state. Since FY 2009, the division has vacated 16 offices. As of January 2012 the division has 7 open offices.

The division is transitioning from a decentralized, region-based organizational structure with standards set by the administrative office, to a highly centralized, administrative-office based organizational structure that is strongly focused on core business functions, including responsive timely and superior customer service, responsible resolution of grievances, meeting federal and state requirements, reducing risk and payback, making timely payment to private providers, establishing acuity levels, providing trustworthy fiscal forecasting, stewardship and accountability, providing meaningful monitoring, measurement and reporting, and leading the States in implementing future disability services, guiding principles and organizational structure.

The division is currently in the process of gathering input from stakeholders on which division functions provide the most value. This input, along with State and Federal requirements, will be the basis for the organizational structure of the division."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting. The LFA further recommends the Division of Services for People with Disabilities provide to the subcommittee, during its 2012 General Session meetings, the detailed update as originally requested.

Division of Child and Family Services

3. The Analyst recommends DCFS include private contracts in the FINET expenditure category "Pass Through." (#4 on p. 28)

The department is not consistent in how it accounts for private contracts which can cause confusion in summary documents for policy makers and the public.

Status: "Completed. The division identified private contracts in FINET that were not posting to the "pass through" category, and made adjustments to costs posted in FINET to correct FY 2011 as well as on-going posting."

No further action needed.

4. The Analyst recommends DCFS review its contracts and rewrite these contracts, when necessary, to ensure ancillary processes are not delaying high-stakes, basic child welfare functions. (#7 on p. 29)

LFA staff observed an instance in a courtroom where the basic functions of assessing the status of a child and family with regard to reunification was significantly delayed by a mental health assessment not being available to a judge in a timely manner. The child welfare system is one where timelines are established and the outcomes at stake are high.

Status: "Completed. DCFS has implemented a process to review and improve language for all contracts. Specifically regarding the example cited, DCFS has established new contracts for mental health services that now specify the time frame for providers to submit required mental health documentation. No time frame was required to submit documentation in the prior cycle of mental health contracts."

No further action needed.

5. The Analyst recommends DCFS plan in advance to take advantage of future funding opportunities in order to benefit from technology advances when the opportunity arises. (#8 on p. 29)

DCFS staff functions can be time and paperwork intensive. There are still numerous functions DCFS workers perform that could also benefit from technology.

Status: "Completed. DCFS has prepared a plan identifying technology advances that will be deployed if future funding opportunities arise."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

Division of Juvenile Justice Services

6. The Analyst recommends DJJS plan in advance to take advantage of future funding opportunities in order to benefit from technology advances when the opportunity arises. (#4 on p. 50)

DJJS staff functions can be time and paperwork intensive. There are still numerous functions DJJS workers perform that could also benefit from technology.

Status: "Completed. Technology purchases have included providing laptops for case managers to perform work while in the field or waiting for court; implementation of a new on-line payment system that reduced demands on personnel (one position eliminated as a result). The division is working to pilot a project that would eliminate the use of paper files at parole hearings. JJS is also working to pilot electronic case files at a case management site. The division is working to expand the use of Skype for case management visits with youth to reduce time and travel expenses, as well as expanding implementation of a room check system that electronically logs in when staff have conducted room checks as required by policy."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

7. The Analyst recommends closure of excess bed space if the trend of reduced nightly bed counts continues. (#7 on p. 51)

DJJS nightly bed counts have gone down from FY 2008 by 106 beds or 21.7 percent. This may be an ongoing or a temporary drop. If the decline is long term, bed space could be closed. Data do not differentiate high utilization days. There are also variables to consider, such as a requirement for dividing male and female offenders, separating gang members, considering offender ages, and others.

Status: "Completed. Analysis is ongoing. Thirty-two detention beds have already been closed, reducing capacity by 8.1%. An additional 34 beds (Weber Valley Detention Center) are scheduled to close in FY 13, further reducing capacity by 8.6%."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

Office of Recovery Services

- 8. The Analyst recommends the Office of Recovery Services annually provide total direct and overhead costs per collection unit compared to actual collections for the same unit. The collection units are: 1) Child Support and Children in Care, 2) Medical Collections - Cost Recovery, 3) Medical Collections - Torts (auto accidents, etc.), 4) Medical Collections - Probate (estates), 5) Disability Recovery for Workforce Services, and 6) State Hospital Collections. (#1 on p. 57)

The Office of Recovery Services budget is not set up to show total costs compared to total collections by each collection unit.

Status: "In Progress. A collection report is being designed and should be completed by July 2012."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

- 9. The Analyst recommends ORS, in conjunction with the Department of Health, study the use of the industry standard approach to cost recover Medicaid pharmacy, which includes more cost avoidance at the time of payment for services rather than the current approach of "pay and chase" and report its findings to the Legislature by November 1, 2011. (#4 on p. 59)

The Office of Recovery Services currently follows the Medicaid directive on cost recovery of Medicaid payments regarding pharmacy that allows for initial payment of the pharmacy claim and then review, after the fact, information regarding potential third party payers.

Status: "Analysis Completed. Discussions are ongoing between the Department of Health and ORS for consideration of modifying collection methods. While the new MMIS development is in progress, it seems advisable to delay major current system changes to avoid duplicating programming costs in both the old and new MMIS systems while also having to modify ORSIS twice."

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting.

- 10. The Analyst recommends ORS, in conjunction with the Department of Health, explore methods to encourage large Utah health insurance providers to provide online membership access. (#5 on p. 59)

Online membership access would allow ORS to improve cost recovery and avoidance efforts now requiring much more timely methods such as telephone and letter.

Status: "Completed. ORS does currently have online access with all the major insurers doing business in Utah – with the exception of Select Health. Select Health has not been willing to provide ORS with online access despite repeated efforts by ORS to obtain this access."

LFA recommends the subcommittee review this status report and determine future actions, if any.

- 11. The Analyst recommends ORS, in conjunction with the Department of Workforce Services, review the cost and benefit of examining for supplemental health insurance products and provide a recommendation to the Legislature by September 1, 2011. (#6 on p. 59)

The state does not automatically check for supplemental health insurance products (assurance) which impact income determinations for Medicaid. Currently, Medicaid clients must report if they participate in a supplemental health plan, but there is no automatic check to verify that information. If there is under-reporting of this information by Medicaid clients currently, then developing a system to check this information may result in savings to the state.

Status: "Analysis Completed. This is an eligibility issue best handled by the entity making the eligibility determination.

ORS has no statutory authority to compel supplemental insurance providers to identify all policy holders who are Medicaid recipients. Supplemental insurance product companies, such as AFLAC, do not fall into the third party insurance category because they are a benefit paid directly to the policy holder and not to the medical provider.

ORS has raised the issues of AFLAC and supplemental coverage with CMS Technical Advisory Group (TAG). Feedback received is that only one state (Pennsylvania) has pursued AFLAC and other such entities as obligated third parties. Pennsylvania has not been successful with this approach to date. The

consensus from the states is that supplemental benefits are best treated as income to the Medicaid eligible and included in the eligibility determination process.”

LFA recommends the subcommittee review this status report and determine future actions, if any.

12. The Analyst recommends the Office of Recovery Services consider the cost and benefit of electronically accessing Department of Workforce Services’ income information into its system in order to automate required calculations now performed manually and report its findings to the LFA. (# 7 on p. 59)

Nearly all cases viewed required the employee to manually access Department of Workforce Services’ income data and then manually calculate what the information meant relative to potential annual income.

Status: “Analysis Completed. This information is currently available to ORS through e-Share. Although it is possible to create an interface with ORSIS and e-Rep to gather income information, this would require an enhancement to ORSIS and an interface to be built with e-Rep. The benefit to ORS is minimal compared to the costs to ORS and DWS of creating the interface. Because both ORSIS and e-Rep have other mandatory enhancements and a shortage of programming resources this enhancement is not likely to be pursued at this time.”

LFA recommends the subcommittee review this status report and determine future actions, if any.

13. The Analyst recommends the Public Utilities and Technology Interim Committee review whether the Department of Technology Services is fulfilling its obligation to coordinate projections under UCA 63F-1-201(4) regarding the Medicaid Management Information System. (#8 on p. 60)

In order to ensure that the Medicaid Management Information System replacement project is coordinating with state/non-state users to maximize efficiencies in the redesign for all major players, a referral has been made to the Public Utilities and Technology Interim Committee to investigate whether the Department of Technology Services is fulfilling its obligation to coordinate projections under UCA 63F-1-201(4) and this committee has put this item on its November 17, 2010 agenda.

Status: “The following recommendations need to be referred to other agencies” (DHSIP, Dec. 14, 2010). The Public Utilities and Technology Interim Committee placed this item on its November 17, 2010 agenda – but the meeting was cancelled. The item has not been subsequently placed on an agenda.

No further action necessary.

Vehicles

14. The Analyst recommends that for all private vehicle mileage reimbursement (PVMR) exceeding a calculated breakeven point between PVMR and state motor pool vehicles (708 miles in a given month), the department annually report the reimbursement exceeding that total. (#1 on p. 90)

For FY 2010, 20 percent or \$507,800 of all DHS expenditures for vehicle use was for PVMR. \$204,300 of the total PVMR was spent to reimburse 140 staff yearly amounts of \$1,000 or more with the highest reimbursement being \$5,117. The breakeven point between PVMR and state motor pool vehicles is 708 miles per month.

Status: “Completed. This report was sent to the Legislative Fiscal Analyst January 2012.”

LFA recommends the subcommittee include this item in 2012 General Session intent language for follow up reporting. The provided report is included in the appendix.

APPENDIX – SUBMITTED REPORTS

The following reports were submitted in connection with this follow up report to the Department of Human Services In-depth Budget Review: 1) *Utah State Hospital Funding Study Group Report* (Major Recommendation #3); 2) *Division of Services for People with Disabilities Group Homes Report* (Major Recommendation #6); 3) *Utah State Developmental Center and Utah State Hospital Cost Per Patient Calculations* (Major Recommendation #8); 4) Utah State Hospital Forensic Unit, Utah State Developmental Center, Division of Child and Family Services, and Division of Juvenile Justice Services distribution of services by county; and 5) *FY 2011 Private Vehicle Mileage Reimbursement Report*.