



Report to the Legislature

**The Impact of the Creation of the
Aging and Disability Services Administration
Second follow-up report**

Recommended by the Joint Legislative Audit Review Committee

June 2004

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**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
AGING AND DISABILITY SERVICES ADMINISTRATION**

**REPORT ON THE IMPACT OF THE CREATION OF THE AGING AND
DISABILITY SERVICES ADMINISTRATION**

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INTRODUCTION

In a June 19, 2003 performance audit, the Joint Legislative Audit and Review Committee (JLARC) recommended that detailed reports on the impacts of the reorganization of Department of Social and Health Services (DSHS) – bringing the Division of Developmental Disabilities (DDD) into the new Aging and Disability Services Administration (ADSA) –should be submitted to the Legislature. The JLARC recommended an initial report in August 2003 and follow-up reports in December 2003 and June 2004. This is the final follow-up report. The first two reports to the JLARC provided detail about specific topics requested by the JLARC recommendation. This report will not repeat that detail.

The reorganization itself is largely complete. Work that took place to assess the organizational structure, ensure stakeholder involvement, and complete organizational consolidation has been discussed in earlier reports. This report will summarize the accomplishments of the new organization in its first 21 months –from September 2002 to June 2004 and discuss work that remains to be done to continue to move the new organization forward.

The goals of the reorganization established by the DSHS Secretary were to:

- Ensure the cultural strengths of both organizations are preserved in the new administration
- Strengthen processes that will improve credibility and accountability
- Increase efficiencies
- Assure consistency statewide in the implementation of policy

Each chapter in this report discusses one of these goals.

Chapter 1 – Ensure the cultural strengths of both organizations are preserved in the new administration

Developing assessments for people with developmental disabilities

ADSA completed statewide rollout of the CARE assessment tool in early 2004. DDD is now using CARE to assess adults receiving Medicaid Personal Care (MPC). Additional steps are planned to improve DDD's assessment capability. They include:

Phase I

Phase I will include one component, an Interim Children's MPC Assessment, expected to be in place in September 2004.

The current CARE assessment will be used for an interim period to assess children for MPC in order to comply with the current WAC for MPC. Since the current CARE assessment has been designed for adults, help screens have been added and a manual has been developed to assist case managers to assess children based on age appropriate guidelines. Training is being provided for the affected field staff.

Phase II

Phase II will include five components and is expected to be complete in June 2005:

- A Children's MPC Assessment with age appropriate values, algorithms and screen adaptations. Development will use Phase I information.
- A Screening/Mini-Assessment Tool
- The CARE Assessment along with the new Screening/Mini-Assessment to assess DDD clients not receiving services other than MPC.
- A bi-directional data-link between CARE and the Common Client Database (CCDB)
- Expanded CARE intake module to include DD determination

At the conclusion of Phase II, more than half of the current DD caseload will receive an appropriate personal care assessment. Expanded CARE intake functions will document DD determination. The Screening/Mini-Assessment will identify clients who are not eligible for current DD services and programs, and will place them on a prioritized waiting list or mark their case as inactive. The Screening/Mini-Assessment will also identify families and children in crisis and allow case managers to help stabilize their lives. These procedures will define caseload and target services to those in greatest need.

Phase III

Phase III is expected to be complete in September 2006 and will include:

- The remaining non-MPC program and service assessments for children. This will provide a complete, comprehensive DDD Children's Assessment.
- The remaining non-MPC program and service assessments for adults. This will provide for a complete, comprehensive Adult DDD Assessment.

At the conclusion of Phase III all DD assessments for programs and services will be performed through the CARE automated framework. The variety of paper assessment forms used currently for programs and services will be eliminated.

Development of a Case Management System for DDD

Development of a case management system for DDD was one of the recommendations of the JLARC's June 2003 report. The case management system is seen as phases IV- VI of the assessment expansion discussed above. Development of the case management system will require additional funding for ADSA and a great deal of staff time. Details of the project, including expected costs, are included in the department's December 31, 2003 report to the JLARC. The case management system is expected to have great positive benefits for client services, consistency, and program management. Briefly, the activities related to the case management system are:

Phase IV: Development of case monitoring capabilities, an updated incident reporting interface for case managers, county business process reengineering, and development of management reports.

Phase V: Development of a client-based quality assurance system, enhanced technical infrastructure/interfaces, development of county access capability, development of screen views to legacy data; and management and field reports

Phase VI: Development of provider incident reporting; provider quality assurance; and management and field reports.

Coordination of strategic planning across divisions

As a part of the planning process for the FY 05/07 biennium, DSHS has asked each administration to revise its strategic plan. The strategic plan should be the road map for the organization, identifying where the organization will go and how it will get there. Built in to the planning process are performance measures that enable periodic assessment of whether the organization is going in the right direction. Even without a mandate for these activities, the reorganization of ADSA makes this a critical time to re-look at the organization's mission, goals, and strategies for achieving its goals.

Staff across ADSA collaborated on the development of the FY 05/07 strategic plan that addresses major issues for all divisions. Additionally, the draft plan was provided to a comprehensive list of stakeholders and was posted on the ADSA intranet and internet sites. Issues specific to program areas in the four divisions were integrated into the overall strategic plan for ADSA. Additionally, a major focus of the plan is to ensure that program management becomes more consistent across ADSA.

The strategic plan centers on the goals of:

- Providing appropriate, quality services in the least restrictive, most cost-effective setting appropriate to clients' needs.
- Ensuring that eligibility, assessment, case management, and care planning are holistic, and coordinated.
- Ensuring that programs support and encourage self-sufficiency and self-direction.
- Ensuring that the public understands and supports ADSA programs.

- Improving customer satisfaction.
- Ensuring that services are cost-effective to the State of Washington.
- Developing well-coordinated and funded early intervention and prevention programs that have a positive impact on the individuals' lives and that reduce the need for future services.
- Operating as one coordinated administration for the benefit of clients.

In the development of the strategic plan for FY 05-07, ADSA worked to identify meaningful performance measures that would accurately portray progress towards the goals and objectives identified in the plan. ADSA management believes strongly that it is important to clearly identify program priorities and measure progress towards achieving them.

The strategic plan includes a mix of measures that are outcome, process, and efficiency measures. Like other state agencies, data collection limitations keep us from collecting as much information as we would like for our performance measures. It is particularly difficult to collect outcome-oriented data. The measures included in the strategic plan are focused on efficiency and outcomes. They include measures such as the average cost per case; the percent of clients receiving services in community; number of persons served in lower cost services; number of persons employed; number of persons participating in the cost of their services; and the impact of early intervention that shows the number of children who do not need further special education intervention after age three.

Stakeholder Involvement

In order to achieve the goal of ensuring the cultural strengths of both organizations, it has been important to maintain good communication with stakeholder groups both internal and external to ADSA. Regular ADSA staff and management meetings with a variety of external stakeholders have included periodic updates about the reorganization. These meetings have provided a way to gather feedback from stakeholders. Additionally, the ADSA internet site is updated periodically to provide information to stakeholders.

ADSA staff receive frequent e-mail communication from the ADSA Assistant Secretary to update them on the reorganization. In November 2003, DDD staff participated in an employee survey to gather feedback about the reorganization, among other topics. Staff from the other three divisions completed this survey in June 2004. Results will be compiled and shared with ADSA management. Typically, the ADSA Division Directors are asked to identify one or more key areas to improve as a result of these surveys.

Chapter 2 -- Strengthen processes that will improve credibility and accountability

Decision support unit

The new Office of Decision Support was created in September 2003 to take responsibility for data analysis and reporting. The office contains seven full-time staff with experience in data analysis and reporting as well as knowledge about programs for persons with developmental disabilities and long-term care programs.

During the fall 2003, the Office of Decision Support focused on identifying and developing management reports necessary to provide reliable data for DDD programs. Most notably, the office formally took responsibility for producing the Executive Management Information System (EMIS) report used to compare caseloads and expenditures to allotments. As of the January 2004 report, the EMIS includes “unduplicated” caseloads; information on expenditures in programs such as State Supplemental Payments (SSP) which had previously not been reported; and reports of *payments* in day and employment programs rather than *authorized amounts*. The Office of Decision Support has also put in place a more automated process that minimizes the hand calculations necessary to produce the EMIS report and ensure that underlying service codes are kept current.

The Office of Decision Support was also heavily involved in projects related to the reorganization such as identifying and tracking savings from the DD Cost Containment Project and establishing data collection procedures related to the four new DD waivers. During FY 05, the Office of Decision Support will be involved in work related to aligning the budget structures between long term care and DDD programs.

DDD quality compliance team

The Compliance and Monitoring Unit was established with a staff person assigned to work with each of the six DDD regions. These team members are located in the regions so they can have a physical presence in each office and outstation, provide support and training to case managers and supervisors, and assist in identifying issues and developing solutions.

The unit worked with a consulting firm to develop a comprehensive inventory of existing and needed rules, policies, and procedures for DDD programs. This “consistency matrix” is the road map for work to be done to put in place policies and procedures that ensure consistency statewide.

The unit developed policies and procedures that will ensure compliance with the reviews of 5 1/2-year old children; and assisted in identifying and correcting payments and client data and completed case file reviews with case resource managers.

The unit conducted regional audits of eligibility decisions measuring consistency and accuracy of eligibility. Additionally, a unit member is did a statewide Inventory for

Client Agency Planning (ICAP) training to ensure consistent administration of this assessment.

Each unit member has worked with the regions to develop written regional procedures for implementation of statewide policies on intake, eligibility and eligibility reviews. The team is working with regional staff to complete written regional procedures for implementation of statewide SSPS Policies and monitoring, and is assisting with developing a contract monitoring tool to assist regions with complying with the new Contract Monitoring policy.

The unit was involved in CARE rollout as application trainers and then as support for case managers doing their first CARE assessments. The team traveled from region to region lending this one-on-one support while continuing to assist with the ongoing CARE support in their own regions, through CARE assessment review, data review, and consultation to staff and management.

This unit will be the trainers for the new waivers and the children's CARE in addition to providing staff support and program oversight.

Home and Community Services (HCS) quality assurance team

In 2003 the HCS QA team reviewed a sample of 1,118 long-term care case files. The QA team completed the initial monitoring of all critical assessment, service planning and case management functions that the Area Agencies on Aging (AAAs) and Regional offices performed in January 2003. By June 2003, all the 30 day reviews of client files audited were completed and most of the corrective action plans submitted by the AAAs and Regions to address the trends identified were approved. The unit identified \$389,085.97 in savings and \$12,239,361 in cost avoidance from their 2002 monitoring activities.

The unit has continued to be involved in the rollout of the care tool by providing policy training and ongoing site visits for any HCS or AAA staff. In addition the unit has been responsible for managing the CARE HELP desk, which allows anyone from HCS, AAA or DDD to call or e-mail a problem or question related to CARE or the outcome of an assessment. The unit has also been involved in defining the business requirements of the new automated CARE Quality Assurance tool.

The ADSA quality assurance consortium

ADSA started a quality assurance consortium in response to a recommendation from the quality assurance subject matter expert team. The group met for several months and developed an "ADSA Quality Paradigm" which the executive management team agreed to support. The consortium analyzed where each division was compared to the paradigm. The ADSA Assistant Secretary asked that each Division Director look at this document with their management team, and decide what they need to incorporate into their work plan for 2004 to support quality in their division.

Reduced backlog of eligibility reviews for DDD clients at age five and a half

DDD is focusing on ensuring that eligibility reviews are conducted on time for children about to turn six. Regions report in depth on this activity each quarter. In addition, the

number of clients over age 6 awaiting review is reported monthly to the Assistant Secretary.

New policies and procedures for field staff have been established regarding eligibility reviews. The goal of the policies is to ensure that no ineligible clients over age 6 is receiving a paid services. However, the division's practice is to review all clients who will be turning 6, whether or not they receive a paid service. Each region, with the assistance from headquarters staff, has developed protocols to ensure that they will comply with the policies. The new review process has been in place throughout FY 03. The Compliance Monitoring Unit is performing scheduled file reviews to ensure compliance with policy. The data now show that reviews are pending only for people over six who are in the appeal process.

Chapter 3 -- Increase efficiencies

DD cost-containment project

For FY 04, the ADSA Assistant Secretary established a project to identify areas for possible cost containment activities in DD programs. To identify the cost containment activities, ADSA staff interviewed DD stakeholders as well as legislative and agency staff.

Through these interviews, more than 30 possible cost containment activities were identified. Suggested cost containment activities ranged from the very technical to broad management activities. Individuals suggesting the cost containment activities acknowledged that some might result in no quantifiable savings while some could result in large savings. All are areas that have been identified as having potential for improving credibility and accountability in DD programs and/or making expenditures more efficient in the programs.

Several of the cost containment activities were chosen as projects for FY04. Projects already completed that have achieved savings or improved efficiency of expenditures include 1) the review of all children as they reach 5 ½ years of age to ensure continued eligibility for services; 2) applying lump sum Social Security payments that "disabled adult children" in Residential Habilitation Centers (RHCs) receive towards the cost of the clients' care; 3) review of state-only services to determine if Medicaid funding is appropriate; 4) review of cost of care (vacancy) payments in Supported Living; 5) development of Section 8 housing to reduce client housing allowance costs; and 6) review of clients receiving more than one day or employment program. These cost containment projects are estimated to result in savings or cost avoidance for the program of almost \$1.5 million during FY 04. ADSA plans to identify additional activities to work on during FY 05.

Integration of Information Technology (IT), Budget, Accounting, Contracts, and Rates Functions

As discussed in the September and December 2003 reports to the JLARC, many core support functions have been integrated in the Management Services Division.

The integration of the information technology functions from the DD and long-term care programs has made possible the roll-out of the CARE assessment tool statewide and will assist in implementing plans for improvements in the CARE tool specific to the needs of individuals with developmental disabilities. Additionally, the integrated Office of Information Technology will be heavily involved in development of a case management system for DD programs.

Within the next few months, the newly integrated IT Office is planning to move all DDD applications to the ADSA building in Lacey. Currently, DDD applications are on servers that have no backups. If a server goes down, work stops. The move will allow “redundancy” within systems so that all systems have backups and work will continue even if a server goes down.

Accounting functions have been integrated under one management. The accounting office is doing an ongoing review and revision of cost allocation of federal and state funding to ensure maximum allowable federal funds are earned. The integration of key functions includes a focus on adherence to state and federal regulations and policies, accuracy in contract and vendor payments and monitoring, and consistent application of accounting policies.

The budget offices for DD and long-term care programs were merged into one office under ADSA. Budget staff are beginning work on revising budget units within the two programs to make budgeting, reporting, and program management more consistent.

The rates management offices for DD and long-term care were integrated as well. Their work on a rate study for DD providers is discussed in Chapter 4.

Certification of DD residential providers in RCS

Responsibility for certifying DD supported living and group home providers was transferred to the Residential Care Services Division (RCS) effective February 2, 2004. The goal of this change is to build on RCS’ successful program of licensure and certification for long-term care providers and to make the certification of DD residential providers more outcome-oriented. During the month of February, RCS and DDD staff worked in close collaboration to make the transition as seamless as possible.

During January 2004, RCS and DDD staff met to work out the transition. In addition, staff are meeting with the Certified Residential Services Association (CRSA), the Community Protection Providers Association (CPPA), DD Resource managers, and the contracted evaluators who will conduct the certifications for RCS.

Chapter 4 -- Assure consistency statewide in the implementation of policy

The improvements to the DDD assessment capacity described earlier in this chapter will assist in achieving this goal of the Secretary. In addition, the following activities have been accomplished or are planned to help assure consistency statewide in the implementation of policy.

Development of standard Management Bulletin (MB) format

As recommended by the communications subject matter expert team, the Communications Consortium developed a standard ADSA format for sending policies, procedures, and information to staff. Proposed formats were piloted by a few headquarters staff, and reviewed by field staff, with changes resulting. After taking comments from all divisions into account, the new format and a tutorial were sent to staff, and are available online. Training on clear policy writing was provided in April 2004 for 30 MB writers. The consortium has members representing each division, who meet regularly on ADSA-wide communication issues.

Development of four new DDD waivers

DDD has been successful in getting the federal Centers for Medicare and Medicaid Services (CMS) approval of a major change in the DDD Medicaid waiver. By federal regulation, waiver recipients must have access to any waiver service they are assessed to need. New waivers were developed because DDD was concerned about the future cost of operating under the current CAP waiver, given the broad array of services offered under the CAP waiver and the requirement of client access to all services.

To address the issues raised by CMS and to align future costs of operating waivers with the state budget process, DSHS is not requesting renewal of the CAP waiver. Beginning April 1, 2004, DDD offers services under four waivers, each with specific limits on benefits, services and enrollees. Personal care and other services are offered under the waiver to enrollees who are assessed as needing those services. Current enrollees were placed on one of the four waivers based on present level of service use. A clearly defined benefit package for each waiver will assist waiver participants in understanding the services available to them.

The development of the four new waivers was a collaborative effort between DDD staff and staff with experience in long-term care programs. Staff from the long-term care programs included program and policy staff, accounting, budgeting, and data analysis staff. It is anticipated that the new waiver format will help manage expectations and costs and that ADSA will be better able to track and report waiver expenditures to program managers and policy makers.

Plans for DDD rate study

The rates management offices from DDD and the long-term care program were combined in the reorganization. The new ADSA Rates Management Office is taking advantage of the expertise of both offices to begin work on a DDD residential rates study. ADSA has established an internal planning workgroup and a stakeholder advisory planning group. These groups will focus on development of a study plan to be completed by June 30,

2004. When the plan is approved these groups will work to assure that the rate study is implemented and completed on time.

The rate study goal of defining the necessary elements and corresponding algorithm components to be incorporated in the comprehensive assessment tool has a planned March 2005 deliverable date. The study will initially focus on the factors driving the administrative and non-direct staff portions of the rate. It is also clear that the administrative and non-staff components of the rate are closely related to the direct staffing requirements, so an additional goal during this initial time period is to determine the direct care cost drivers that are not adequately recognized in the current CARE assessment tool. This activity will take on added importance when a draft Adult DD comprehensive assessment process is tested in 2005.