Report to the Legislature

Impact of the Creation of the Aging and Disability Service Administration

Recommended by JLARC

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Department of Social & Health Services
Aging and Disability Services Administration

PO Box 45600
Olympia, WA  98504-5600
(360) 902-7797
Fax:  (360) 902-7848
INTRODUCTION

In a June 19, 2003 performance audit, the Joint Legislative Audit and Review Committee recommended that “Detailed reports on the impacts of the recent reorganization of DSHS – bringing DDD into the new Aging and Disability Services Administration –should be submitted to the Legislature. The reports should address how this reorganization will impact the provision of services to the developmentally disabled, renewal of federal “waivers,” as well as detail new organization reporting structures, including field operations. The reports should also outline the major performance and outcome measures that DDD will be held accountable for by DSHS management and the Office of the Governor.”

The JLARC recommended an initial report in August 2003 and follow-up reports in December 2003 and June 2004. This is the initial report.

The transition to the Aging and Disability Services Administration began on October 1, 2002. The Secretary of the Department of Social and Health Services established four goals for the reorganization:

- 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

Two major changes made immediately to operationalize these goals were the reassignment of staff in certain functional areas, and establishment of performance measures for which the division will be held accountable. These two actions will be the subject of this report.

There is a great deal of work yet to come to accomplish the goals of the reorganization. Some of the necessary work will take several years to complete. Reports in December 2003 and June 2004 will contain progress reports on progress towards the goals.

STAFF REASSIGNMENT

The ADSA Assistant Secretary made a commitment to ADSA staff that there would be no movement of staff or functions until completion of a thorough reorganization study. The purpose of this study was to identify similar functions within the new administration,
means for consolidating these functions, and a process to implement the new organization. The study was conducted over six months using a series of teams focused around major functional areas and drawing staff from throughout the new organization. The outcome was the proposed general structure discussed in this progress report.

It needs to be noted that the Assistant Secretary honored her commitment to make no changes prior to the completion of the study with a single exception: the budget and accounting function was moved to Management Services Division prior to completion of the reorganization study. Two key managers in DDD left the organization early in 2003. Rather than fill these two positions temporarily while the study was completed, the decision was made to consolidate DD’s financial function with the financial functions as organized under the former AASA in March 2003.

ADSA management has reassigned staff in several functional areas in order to increase efficiency, provide consistency, and improve accountability. These reassignments are expected to allow DD services to benefit from the accountability structure that already existed within Aging and Adult Services.

The reorganization goals were not intended to disrupt the local systems that were already accomplishing service delivery. Rather, the reorganization was intended to strengthen the management of the organization. It was envisioned that the transition could be accomplished without disruption to the existing DDD structure, that case management and service delivery would not change for clients, and that no organizational changes would immediately occur at the regional or community levels. New organization charts for the administration are included as attachments to this report.

In FY 01-03, ADSA’s combined FTE appropriation was 4,549. The vast majority of those positions provide direct services in field offices or institutions. Approximately 266 FTEs (5.8%) provided administrative services to the organization. Of those, 36 have had a change in supervisory structure as a result of the reorganization.

Areas that were changed to strengthen management, accountability, and efficiency included:

Support Services – Functions such as contracts, accounting, and budget were combined in the new administration under the management of the chief of the ADSA Office of Support Services. The Office of Support Services will be responsible for ensuring consistency of contracts across the administration and improved financial accounting and budgeting. The merger of the support services functions allowed the new Aging and Disability Services Administration to eliminate one Support Services Office Chief. This position was used to create the new chief for the Office of Decision Support discussed below.

Decision Support – A new office is being created to take responsibility for data analysis and reporting. A recruitment effort is expected to identify an office chief for the new Office of Decision Support by mid-October 2003. This office will focus on ensuring
accuracy of financial and caseload data and analyzing and reporting data in a way that is useful to decision makers both within and external to ADSA.

Information Technology – Responsibility for IT functions were combined under the management of the chief of the ADSA Office of Technology. This office will be responsible for functions such as applications development, desk top support, data architecture, and network support. In addition this office will be heavily involved in developing and introducing the CARE assessment tool to both LTC and DD offices.

Rates Management - ADSA’s Office of Rates Management Chief has been given responsibility for developing consistent, equitable, budget-compliant payment rates across ADSA. The DDD rate setting unit is integrated in the Office of Rates Management as part of this goal. One of the first tasks of the newly integrated office will be developing a rate study in the Supported Living program to propose a rate structure that is more consistent across the state.

Quality Assurance – The ADSA Director of Residential Care Services has been given responsibility for evaluation, certification, and corrective actions for DD Residential Supported Living providers. Washington’s QA system for nursing homes and community residential settings such as adult family homes has been identified as one of the best in the nation. They will bring this strength to their work with supported living services. Work is currently being done to determine when the transfer will occur.

Policy coordination – One of the earliest changes made under the reorganization was to clearly assign policy responsibility for programs that serve clients who receive both long-term care and DD services. In the new administration, the Home and Community Services Division has been assigned responsibility for policy development and implementation for Medicaid Personal Care and Nurse Delegation. The 2004 legislature expanded nurse delegation services to in-home settings and placed new limits on Medicaid Personal Care eligibility. Centralization of policy for these services will help to implement the changes directed by the Legislature.

DD Waiver renewal activities - Functional responsibility for DDD waiver management continues to reside with the DDD Assistant Director. In addition, the ADSA Assistant Secretary created a formal relationship between that office and the Chief of the Home and Community Programs Office who has long-standing expertise in CMS waivers. The Assistant Secretary has also made clear her intention to have significant involvement in waiver renewal activities.

DDD submitted four waiver applications to the federal Centers for Medicare and Medicaid Services (CMS) on March 25, 2003. These waivers are intended to replace the current single CAP waiver. On June 13, DDD received a formal response from CMS in the form of a Request for Additional Information (RAI). The RAI itself is complex and lengthy. Major topics areas are: transition from CAP to new waivers; movement of clients between waivers; support and backup for recipients with individual providers; quality assurance processes; rationale for provider rates; protecting client and community
safety on the Public Safety waiver; and the state’s process for handling critical incidents and complaints. A formal response to the RAI was sent to CMS in September.

PERFORMANCE MEASURES

Reorganization activities are centered around the performance measures for which DD will be held accountable, in conjunction with the DSHS Secretary. Performance measures include goals for work to be accomplished by June 2004. Key performance measures for DD include:

A. Maintain 100% ICF/MR certification at the 5 Residential Habilitation Centers

Almost $300 million in state and federal funding is appropriated in the FY 03-05 biennium for services for approximately 1,000 individuals who require care at one of the five state operated Residential Habilitation Centers. DDD will be held responsible for ensuring that funds are appropriately deployed to meet state and federal quality of care requirements. As of July 2003, the RHCs were in compliance with this goal. The expectation for June 2004 is that all five RHCs continue to maintain ICF/MR certification.

B. Develop & plan to implement a reliable process for determining priorities for assignment of resources based on client needs that will ensure clients & families with similar needs have equitable access to resources & services

DDD has received criticism from several sources, including the June 2003 JLARC report that it does not have processes in place to ensure that clients with similar needs receive similar services. The June 2003 JLARC report included recommendations that ADSA develop plans for implementing a statewide needs assessment and a case management system. Development of each of these plans is underway at this time. They will be the topic of separate reports to the Legislature in October and December 2003.

The reorganization will assist efforts to determine priorities and ensure equitable access to services in several ways. Development of the Office of Decision Support to provide accurate, useful data will assist in identification of the resources available to and characteristics of clients. Additionally, the information technology management team that successfully developed the CARE tool for use for long-term care clients will be responsible for working with DD program experts to adapt the tool for use for DD clients. The report to JLARC will include information on the inclusion of a screening process for the purpose of prioritizing clients for services based on needs. Further, new quality assurance processes and data system improvements will help ensure that DD client service plans are reassessed and updated in a more timely fashion.

The June 2004 target for this performance measure is for a new service priority structure to be developed.

C. Implement cost containment initiative within DDD
ADSA staff with management and budget expertise are interviewing stakeholders in an effort to identify ways that DD resource allocation can be improved. These may include ideas to help bring in additional revenue, improve fiscal practices, reduce variability of cost in certain programs, expand low cost programs to avoid expenditures in higher cost services, and so on. A final report to ADSA management is due in 2003. It will include a work plan identifying the problem, proposed solutions, staff responsible for working on the issues, time frames, and an estimate of savings that may be achieved. We anticipate that savings from this effort will be directed to any over-expenditures in the DD program, improvements in the DD assessment process and infrastructure, and for provision of expanded employment services for high school transition clients. In the December 2003 status report to JLARC we will present the target and status of achieving this target.

D. Downsize Fircrest RHC

This effort is a time-limited project reporting directly to the ADSA Assistant Secretary in order to minimize the disruption of ongoing services and the reorganization that is ongoing within ADSA. A project plan is being developed for Fircrest downsizing that is intended to ensure that current Fircrest residents are offered appropriate alternative services while maintaining compliance with the legislative budget. The plan entails closure of one ICF/MR cottage and one Nursing Facility cottage on March 1, 2004; one ICF/MR cottage on September 1, 2004; and one ICF/MR cottage on March 1, 2005.

The June 2004 target for this performance measure is to reach budgeted capacity at Fircrest.

E. Implement “multiple Medicaid Waiver” program within DDD

As mentioned above, ADSA management assigned the Chief of the Office of Home and Community programs to consult with DD in developing and submitting new waiver requests to CMS. The waivers are intended to help prioritize services to clients, assist the program in ensuring consistency of services, and control costs.

The June 2004 target for this performance measure is to have new federal waivers operational.

F. Develop and implement a study of the rate structure in certified DD residential programs

Payment rates for DD residential providers such as supported living, have historically been negotiated within the DD regions. This approach has allowed flexibility to place hard to place clients but has also resulted in payment rates that are inconsistent across the state. The consolidation of the rate setting functions from DD and AASA will allow staff to use lessons learned from the successful development of the four-level payment system in AFH and ARC settings to study DD residential rates. The goal of a rate study is to
identify ways to provide consistency in rates and tie payments more directly to the needs of the client.

The June 2004 target for this performance measure is to have a completed proposal for a new rate structure in certified developmental disabilities residential programs.

G. Develop and implement Office of Decision Support to improve ADSA research, forecasting, and data analysis

One of the criticisms of the DD programs has been a lack of accountability and accuracy in reporting caseloads and expenditures. With the reorganization, ADSA management will focus on strengthening this capability. A new Office of Decision Support has been created which will combine staff from AASA and DD who will be responsible for data analysis and reporting. DD and AASA shared many clients and programs. The combination of these offices will help standardize reporting for shared clients. Efforts are already underway to improve Executive Management Information System (EMIS) reporting. Additionally, the Office of Decision Support will play a key role in identifying, implementing, and tracking cost containment ideas.

The June 2004 target for this performance measure is to have the Office of Decision Support fully operational.

H. Modify CARE needs assessment instrument to identify and incorporate specialized requirements for children & adults with DD

As mentioned, ADSA is developing a plan to implement a statewide assessment system to ensure that clients with similar needs receive similar resources. This plan will be the subject of a report to the legislature in fall 2003.

The June 2004 target for this performance measure is to have the project workplan target achieved.

I. Implement QA protocols that improve compliance with rules, regulations and policies that govern designated DD field activities

In 2002 the Home and Community Services Division implemented a quality assurance review of case management in field offices conducted by both state and contracted staff. A similar effort has been implemented for DD offices. The QA effort is lead by a DD staff person with extensive experience in field operations and program management. Staff in each of the field offices reports to this manager.

The June 2004 target for this performance measure is to have protocols established statewide.

J. Implement DD determination review process at age 5 ½ for all DD clients receiving paid service
The JLARC raised concerns about clients who reached age six and received services without being reviewed to determine whether they continued to be eligible for DD services. DDD is focusing on completing these overdue reviews and keeping current on eligibility reviews as clients who receive services reach age 5 ½. They have created instructions and given training to the field to help get reviews completed. They are monitoring to ensure that reviews are happening on time.

The June 2004 target for this performance measure is to have the review process operational.
Proposed Organization Structure

These charts represent where functions will exist in the new organization. They do not, however, represent precisely how each division will ultimately be structured since each division will likely restructure its organization to accommodate the functional changes being proposed. For instance, some units within a division may be consolidated with another unit in that division or new units may be created to manage new functions not previously managed in the division. This restructuring will occur shortly after the Transition Plan has been approved.