

Overview for State Agencies & Governmental Affairs



Summary

- Overview of process and timeline for review of DHS structure and service delivery
- Overview of DHS and divisions
- Major focus areas

DHS Organizational Review Plan

Three-Phase Review

March - April:

1. Phase One - 60-Day Review of Core Business Structures



May – July - Initiate implementation of Phase One changes

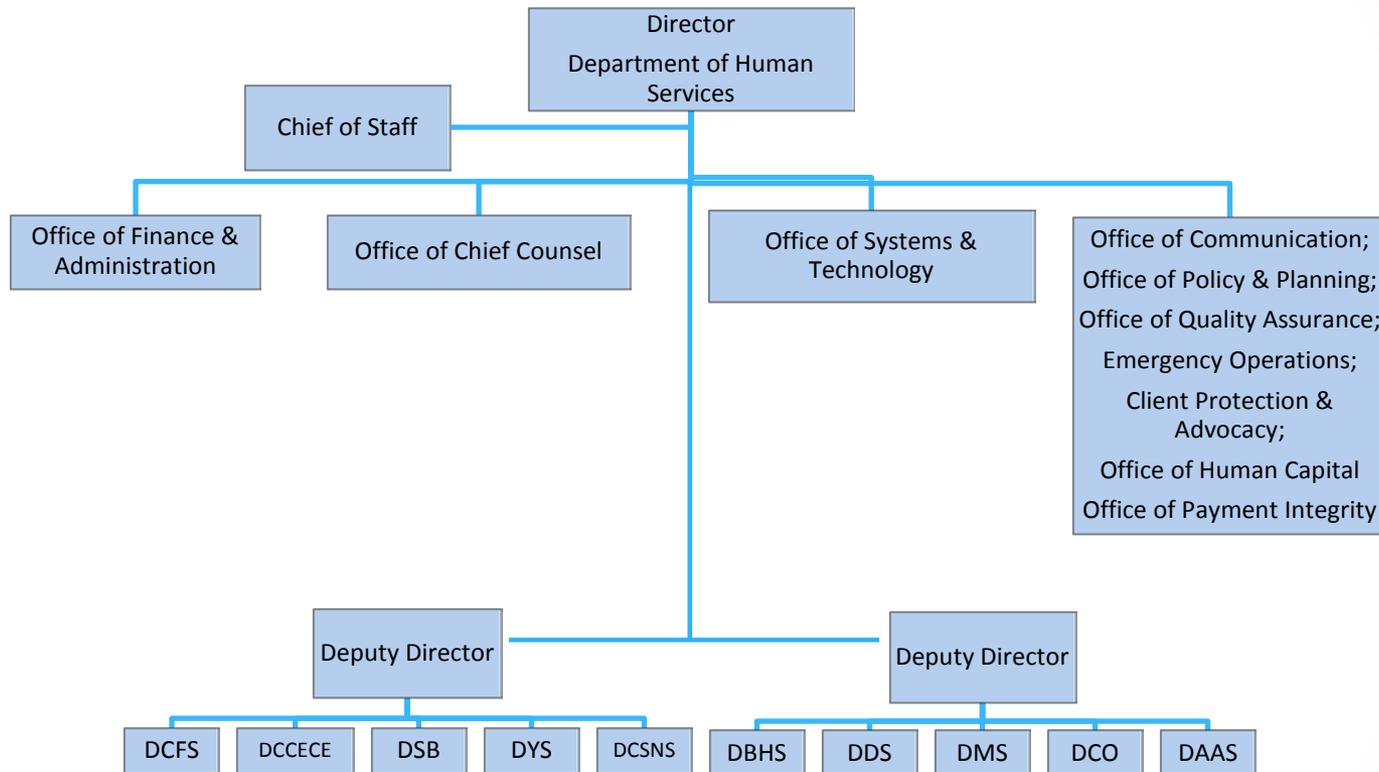
June - September:

2. Phase Two - Client & Efficiency-Centered Review of Program Operations

3. Phase Three - Personnel & Human Resources Review

October – June: Initiate implementation of Phase Two and Three changes (Note: Changes likely to require legislative action and coordination with ongoing OPM personnel policies review)

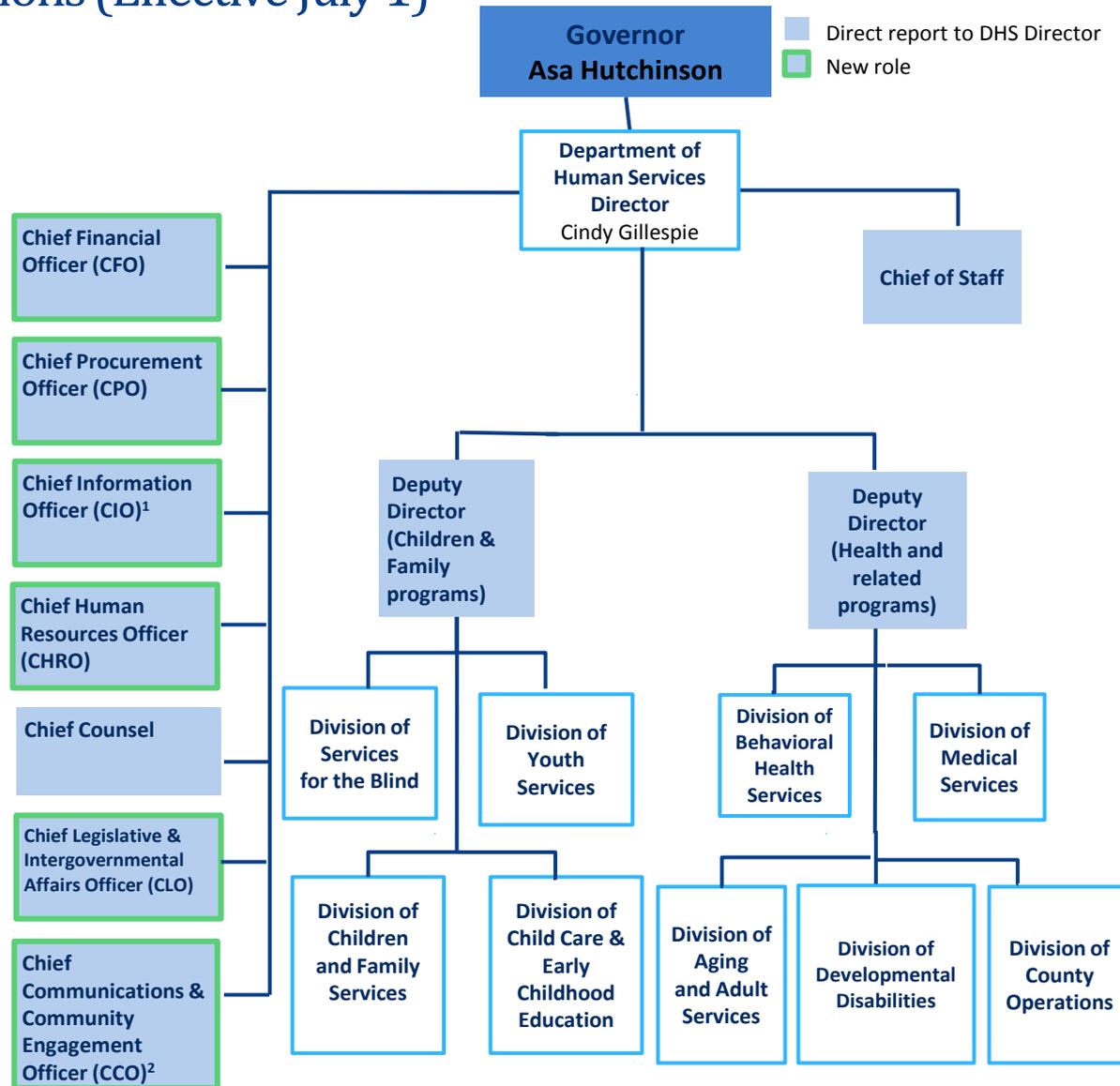
Former DHS Organizational Structure



Review Findings

- Hard-working, dedicated employees with a great deal of expertise and a deep commitment to serving their fellow Arkansans
- Ten divisions with independent Finance, HR, IT, and Procurement operations and an additional 10 executive-level offices that provide limited level of division support
- Ad hoc interactions with key external entities (legislature, community engagement)
- Very limited centralized reporting or oversight
- Very limited metrics or data collection established to measure internal performance
- **Result:**
 - NO centralized visibility of the core business functions of the agency at the Director's Office
 - NO clarity on accountability and responsibility
 - NO strategic or effective focus on external engagement

Phase One Reorganization: Central Offices for DHS-Wide Core Business Functions (Effective July 1)



High level points

- Creates line of sight into all functional services
- Enables accountability and authority for each of the functional roles
- Increases collaboration and decision-making between business functions
- Improves ability to recruit top talent
- Emphasizes strategic benchmarking and performance management
- Allows DHS to better serve legislative needs by creating the Chief of Legislative & Intergovernmental Affairs role

1 CIO title exists within DHS today, but role and responsibilities in the new structure would be redefined

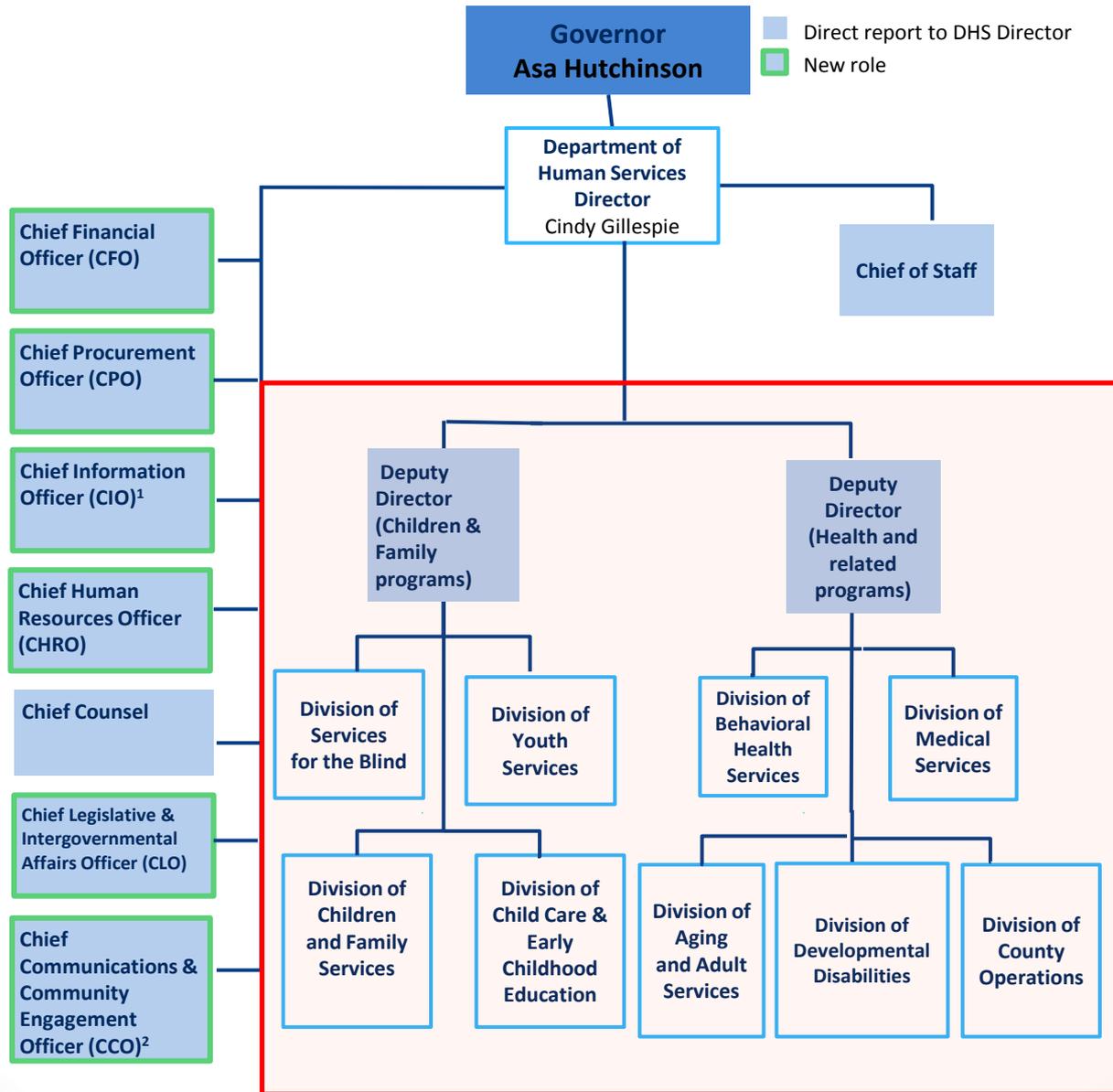
2 The Division of Community Service and Non-profit Support will now report through the Communications and Community Engagement Office. We will be seeking statutory approval to formally merge them.

“Shared Services” Offices

- **Office of Procurement** is headed by Misty Bowen-Eubanks and is now responsible for procurement as a “shared service” for all DHS divisions and support offices.
- **Office of Human Resources** will provide human resource activities as a shared service for all divisions and support offices as well as implement an agency-wide strategy to attract and retain the talent necessary to carry out the work of DHS. We are searching for a person to lead this office.
- **Office of Information Technology** is headed by Jeff Dean and will provide agency-wide IT strategy, standards and will ensure systems are in place for staff to do their jobs.
- **Office of Finance** is headed by Mark Story and is responsible for the agency’s finances as well as financial policy and long-term financial planning. (Part of the Office of Quality Assurance was merged with this office. The other sections were merged with the Office of Chief Counsel.)
- **Office of Communications and Community Engagement** is headed by Amy Webb. The Division of Community Service and Nonprofit Support will now report through this office.¹ It is responsible for agency-wide internal and external communications as well as supporting DHS programs through partnerships with nonprofits and faith-based organizations.
- **Office of Legislative and Inter-Governmental Affairs** is headed by Kelley Linck and works with legislators and other elected officials to ensure they are abreast of DHS programs and issues. This office also handles constituent concerns related to DHS services and policies.
- **Office of Chief Counsel** is headed by David Sterling and continues to provide legal services and support to the agency and will also take on some of the internal investigation and fraud work of the former Office of Quality Assurance.

¹ The Division of Community Service and Non-profit Support will now report through the Communications and Community Engagement Office. We will be seeking statutory approval to formally merge them.

Phase Two Review: Divisions and Delivery of Services



¹ CIO title exists within DHS today, but role and responsibilities in the new structure would be redefined

² The Division of Community Service and Non-profit Support will now report through the Communications and Community Engagement Office. We will be seeking statutory approval to formally merge them.

DHS Overview for SFY'17

DHS serves many roles for the State: Regulator of nursing homes and child care centers; Medical and residential care provider for the elderly, intellectually disabled; psychiatric patients and youth involved in the juvenile justice system; Funder of health care and home and community-based services; Responsible party for several federally-funded programs within Arkansas; Safety net for struggling Arkansans; Provider of safety and stability for abused and neglected children and adults; and much more.

Facilities



- Only state-run psychiatric hospital
- Only state-run nursing home
- Five human development centers for individuals with intellectual disabilities
- 85 county offices (at least one in every county)
- One processing center
- 8 juvenile facilities (operated by contractors)

Staff



- 7,258 filled positions
- 3,280 filled positions are direct-care staff who work directly with patients or clients at the State Hospital, human development centers and the Health Center
- 449 filled extra help positions
- 7,776 budgeted positions

Budget



- \$8.6 billion annual budget (Total state, federal and other funds)
- Of that, \$6.5 billion is federal funding
- Arkansas Medicaid accounts for \$7.6 billion of the overall DHS budget (\$6 billion is federal funding)

Top 5 Salaries at DHS

Name	Title	Salary
Cindy Gillespie	DHS Director	\$280,000.03
Dr. Linda Parker	State Hospital psychiatrist	\$169,610.48
Dr. Gary Stewart	Conway Human Development Center physician	\$151,136.75
Dr. Randall Wells	State Hospital psychiatrist	\$146,893.14
Dr. Mark Albey	State Hospital Medical Director	\$145,049.01

Top Ten Vendors

Vendor	Total Funding	Begin Date	End Date	Purpose
HP Enterprise Services LLC	\$191,750,975	1.1.2014	6.30.2017	MMIS operations, maintenance & enhancements; statewide Medicaid fiscal agent services
HP Enterprise Services LLC	\$85,871,503	12.1.2014	6.30.2017	Maintain & operate new Medicaid Enterprise, MMIS Core System
UAMS Center for Distance Health	\$66,609,473	7.1.2015	6.30.2017	Antenatal/neonatal guidelines education; virtual statewide
LeFleur Transportation	\$56,086,654	3.1.2013	12.31.2016	Medicaid transportation
OPTUM Government Solutions	\$44,605,742	7.1.2014	6.30.2017	Technical, operational and maintenance support for the Arkansas Medicaid data warehouse and Decision Support System.

Top Ten Vendors continued ...

Vendor	Total Funding	Begin Date	End Date	Purpose
Southeastrans, Inc.	\$43,997,723	3.1.2013	12.31.2016	Medicaid transportation
Arkansas Foundation for Medical Care	\$36,096,202	7.1.2011	6.30.2017	Utilization management, Prior Authorizations and retrospective reviews
Beacon Health Options Inc.	\$31,631,212	7.1.2010	6.30.2017	Utilization & Quality Control Peer Review for outpatient Behavioral Health Services to Medicaid beneficiaries.
Southeastrans, Inc.	\$31,579,409	3.1.2013	12.31.2016	Medicaid transportation
Area Agency on Aging of Western Arkansas, Inc.	\$30,697,539	3.1.2013	12.31.2016	Medicaid transportation

Health-Related Divisions

Medical Services oversees the Medicaid, ARKids First, Health Care Independence Program and Long-Term Care systems in Arkansas including the licensing and inspection of nursing homes. It also will oversee the Arkansas Works program.

\$7.6 billion budget for SFY'17 (\$6 billion federal, \$1.06 billion state & \$532,360 other funds)

279 filled positions plus 6 filled extra help positions

Developmental Disabilities Services provides community and facility-based care and services to thousands of Arkansans with developmental disabilities.

\$171 million budget for SFY'17

2,250 filled positions plus 200 filled extra help positions (most of these positions provide direct client care at one of the five human development centers)

County Operations accepts & processes applications for nearly a dozen public assistance programs, including Medicaid and SNAP, and enrolls consumers in programs for which they have been approved. It also is responsible for 85 county offices and the processing center.

\$177 million budget for SFY'17

1,670 filled positions plus 37 filled extra help positions

Health-Related Divisions continued ...

Behavioral Health Services

supports, certifies, licenses and funds mental health and substance abuse prevention, treatment and recovery services throughout the state. It also is responsible for the Arkansas State Hospital, the only state-funded psychiatric hospital in Arkansas; and the Arkansas Health Center, the only state-funded nursing home.

\$155 million budget for SFY'17

977 filled positions plus 335 filled extra help positions (most of these positions provide direct patient or client care at the Arkansas State Hospital and the Arkansas Health Center)

Aging and Adult Services

serves as the focal point for all matters concerning older Arkansans and adults with disabilities. This includes advocating for these populations; giving them a choice of how and where they receive long-term care services; and planning, coordinating, funding and evaluating home- and community-based programs and services.

\$53.4 million budget for SFY'17

271 filled positions plus 18 filled extra help positions (includes nurses who work directly with beneficiaries and adult protective services staff)

Children and Family-Related Divisions

Children and Family Services

is responsible for the management of the child abuse hotline; conducting child maltreatment investigations; the safety, permanency and well-being of children in the foster care system and for those who can remain in their homes under DCFS's guidance; and for ensuring timely permanency for all children served including adoptions of children from foster care.

\$171 million budget for SFY'17

1,008 filled positions plus 65 filled extra help positions

Child Care and Early Childhood Education

licenses and investigates complaints against child care centers, child placement and adoption agencies; administers the state Pre-K program, provides professional development for child care workers, oversees a federal child care assistance program for low-income families and administers the child nutrition program.

\$171 million budget for SFY'17

183 filled positions plus 13 filled extra help positions

Children and Family-Related Divisions continued ...

Youth Services provides, in a manner consistent with public safety, a system of high-quality programs to address the needs of youth who come in contact with, or are at risk of coming in contact with, the juvenile justice system.

\$58 million budget for SFY'17

72 filled positions plus 34 filled extra help positions

Services for the Blind provides customized vocational rehabilitation services, independent living skills instruction, equipment, audio information and consultation services for people who are blind or severely visually impaired and those interested in employing them.

\$12.4 million budget for SFY'17

71 filled positions plus 30 filled extra help positions

Key Areas of Focus

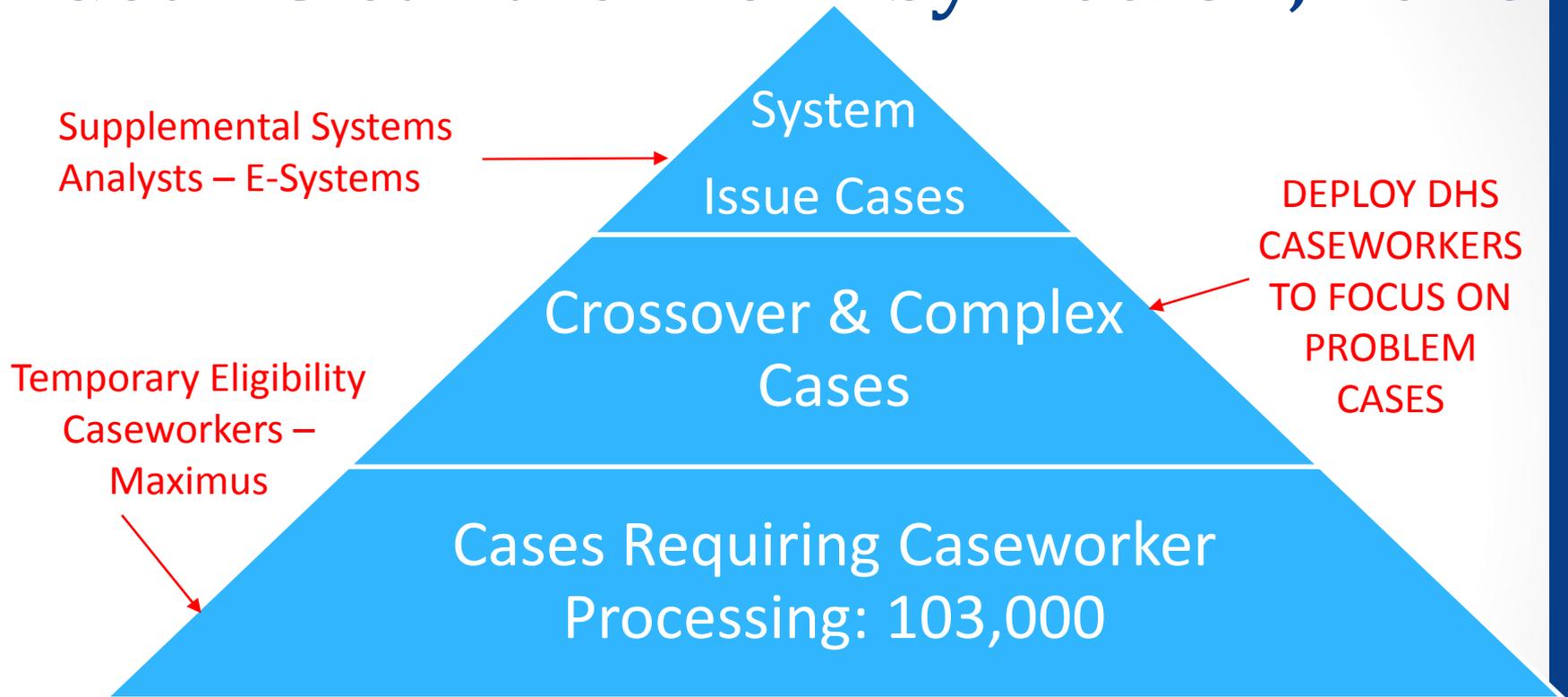
- Completing review of DHS organization and service delivery
 - Structure to ensure efficient use of taxpayer dollars
 - Client-centric view of service delivery
- FY2018/2019 Budget and Legislative Requests
- Many other areas under review: Two examples:
 - Eliminating backlog of overdue Medicaid eligibility casework
 - Comprehensive review of foster care system and DCFS

Medicaid Pending Casework–By Type

	Changes of Circumstance	Renewal	Pending Applications	Newborn	Total
Current	2,601	1,994	5,132	333	10,060
Overdue at Caseworker Level	54,324	6,842	30,280	-	91,446
Overdue at System Level		9,583			9,583
Cases (Curam Support Log) as of June 29					10,174
Total	56,925	18,419	35,412	333	121,263

As of June 28, 2016

Goal: Clear the Work by Dec. 31, 2016



- Supplemental Call Center Capability through December 31, 2016 – AFMC
- Current DHS employees at Medicaid Call Center will be redeployed to work cases
- AFMC will provide 21 additional personnel through current call center contract
- Call center hours expanded to 7am to 7 pm

Review of Foster Care System

In early May, we began holding meetings three times a week with staff from Children and Family Services, Medicaid, Behavioral Health, County Operations, Communications, IT, Child Care, DD, Procurement, Finance, the Director's Office and national consultants.

- Goal of meetings is to delve deeper into DCFS operations and our foster care system to determine areas that need strengthening and/or reform and then layout steps toward short-term and long-term solutions.
- Several issues are being dissected, including:
 - Rising number of children in foster care
 - Very high turnover rate among staff
 - High caseloads and structure of DCFS workforce
 - Lack of appropriate placements, especially for children with more complex needs
 - Current foster care recruitment and retention efforts

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