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COMMITTEE ON HEALTH, SOCIAL SERVICES AND ECONOMIC SECURITY

OCTOBER 4 STATUS REPORT TO SPECIAL COMMISSION ON GOVERNMENTAL RESTRUCTURING

I. MOST SIGNIFICANT FINDINGS AND ACCOMPANYING RECOMMENDATIONS

1. Coordination and Collaboration

Finding

Inter-agency coordination is inadequate, and no effective mechanism exists to resolve disputes between agencies and to facilitate ongoing collaboration.

Recommendation

Raise coordination and collaboration to priority status. Reconstitute the Interdepartmental Council (IDC) into an office of the Executive Department, with an executive director appointed by the Governor, an independent budget and staff, and authority to arbitrate disputes and allocate resources among departments. This should be done regardless of the configuration of State agencies. (See no. 2, below.)

2. Fragmentation, Duplication and Responsiveness to Consumer Needs

Finding

As services evolve, they become fragmented and less responsive to consumers. This appears to be attributable in large part to categorical funding streams. Services are developed around those streams, forcing consumers to face several eligibility processes in several agencies. This is most apparent for children, youth and families, who may be receiving services from 6 or more major State agencies. Fragmentation has resulted in duplication or overlap of several services and functions, including case management, information and referral, advocacy and abuse investigations, advisory groups, licensing, management information systems, planning, contracting and evaluation, and adult protective services.

Recommendations

Abolish the Department of Human Services, the Department of Mental Health and Mental Retardation, and the Division of Community Services. Realign services into a Department of Children and Families and a Department of Health and Disabilities.

Create a unified case management system within each of the new departments.

Reorganize contracting, evaluation and licensing to allow private providers to have 1 contract, 1 evaluation process and 1 licensing process with each new department. Use uniform contract forms across agencies.

Develop a unified information and referral system and a unified intake system within and across appropriate State agencies.

Combine various advocacy services into a single Office of Advocacy organized in 4 divisions, as follows: children, disabilities, aging and poverty.

Apply staggered repeal dates to all statutory health and social services advisory groups that are not required by federal law. Direct each department head to review the advisory groups that report to the department and to submit legislation to lift the repeal for any group that the department justifies as necessary.

3. Technology

Finding

Technology used by many State agencies is outdated and incompatible with applications in other State agencies. Although technological enhancements offer the greatest promise of improved productivity and efficiency, inadequate investment is made in this area. This is true particularly in times of fiscal stress, when technology enhancements tend to get cut out of budget requests.

Recommendation

Invest in technology that will improve efficiency and planning capability within and across departments. For example, a 90% federal match is available to enhance technology in the Medicaid program to eliminate paper claims and simultaneously create a data base for timely analysis. In the income maintenance area, a 90% federal match is available to automate eligibility functions. This would reduce the error rate, improve productivity and enable the State to move toward a single eligibility process.

4. Regional Service Delivery Areas

Finding

Each department has unique regional service delivery boundaries. The lack of uniform boundaries confuses consumers and hampers interdepartmental coordination of regional resources.

Recommendation

Unify all health and social service regions into one common regional system with conterminous boundaries and share regional service delivery resources wherever possible.

5. Demand for Services

Finding

The demand for social services increases dramatically as the economy worsens, placing fiscal strain on the State when it is least able to respond.

Recommendation

Create a counter cyclical fund to finance health and social services during difficult economic periods.

II. SINGLE ISSUE OR METHODOLOGICAL PROBLEM GIVING THE COMMITTEE THE MOST TROUBLE

The expectation that the health and social service areas will yield significant savings is ill-founded. The Committee believes that its recommendations will lead to a more efficient and effective service delivery system, but will not result in large savings, at least in the short-run. The emphasis in this area must be on the rational and humane delivery of services. The Committee does believe that a more rational organization of services will result in savings, as outlined below in section III.

III. SHORT- AND LONG-TERM SAVINGS OF COMMITTEE OPTIONS UNDER DISCUSSION

Although specific estimates are not available, the Committee has grouped its list of options into those that are likely to result in some savings and those that require an investment of resources now in order to achieve savings in the future.

1. Short-Term Savings

- A. Reduce administrative costs by eliminating the Division of Community Services.

- 3 State positions and 1 Federal position eliminated, for savings of approximately \$250,000 per year

- B. Streamline service delivery by reorganizing health and social services into a Department of Children and Families and a Department of Health and Disabilities.

Duplication is reduced:

- each new department implements a single case management system and unifies contracting, evaluation and licensing

Effectiveness is enhanced:

- child and family services are consolidated (from 6 or more agencies presently)
- the link between physical and mental health is acknowledged and utilized

- C. Take advantage of existing expertise by splitting the Bureau of Rehabilitation's functions and reassigning them to the Department of Labor and the Department of Health and Disabilities.

- Job placement expertise at Labor and rehabilitation expertise at Health and Disabilities are exploited; duplication of functions is reduced

- D. Reduce expensive interdepartmental disputes and improve effectiveness by reconstituting the Interdepartmental Council into a strong organization with authority.

- E. Consolidate several existing information, referral, and intake services into a unified service.

- F. Consolidate advocacy agencies into a single agency.

- G. Eliminate advisory boards that no longer serve a pressing need.

2. Long-Term Savings

- A. Enhance long-term collaboration between departments through a strong Interdepartmental Council.

- B. Reduce long-term need for services by providing more prevention and early intervention programs.

- C. Reduce need for future staff increases and improve productivity of current work force through technological enhancements.

- D. Reduce the need for regional infrastructure by implementing conterminous regional boundaries.

- E. Reduce growth through the development of a monitoring mechanism to stem the proliferation of State agencies.

Interim Report of the Committee on Health, Social Services and Economic Security

I. FUNCTION STATEMENT

The Committee has adopted the following statement to describe the function of state government in this area:

It is the responsibility of the State to invest in an affordable system of health and social services for the care and assistance of those who cannot adequately provide for their basic health, social and economic needs. In carrying out this responsibility, the State must balance public needs with the public's ability to fund services.

In addition to basic maintenance services, the State must invest in those preventive, early intervention and innovative programs that yield long-term gains.

II. COMMITTEE PROCESS

A. Consumer Focus

The committee is striving to examine the present governmental structures from the point of view of consumers. To that end, its work has been organized around the major consumer groups that fall under its purview, rather than around existing departments or programs. Those groups are:

1. Children, Youth and Families;
2. People Who Abuse Substances;
3. People Who are Homeless or Inadequately Housed;
4. People Who are Unemployed or Underemployed;
5. Older People;
6. Abused and Neglected Adults;
7. People with Mental Illness;
8. People with Mental Disabilities;
9. People with Physical Disabilities;
10. People with Chronic Illness; and
11. Consumers of Acute Care, Public Health and Disease Prevention Services.

The Committee is attempting to identify all services that are currently offered to each consumer group, as well as gaps that exist in the service delivery systems.

B. Sources of Information

The Committee has reviewed reports issued in the past 2 years by study commissions, State agencies and standing advisory groups. The Committee has met with officials from all of the major State service delivery agencies that are involved with the identified consumer groups, including the Department of Human Services, the Department of Mental Health and Mental Retardation, the Division of Community Services, the Office of Substance Abuse, the Department of Labor, the Department of Education, and the Department of Corrections. The Committee plans to meet next with consumer groups, provider groups and the chairs of recent study commissions.

C. Strategic Issues

All information gathered will be analyzed in the context of the following strategic issues:

1. *Consumer Orientation of Services.* Is the system "user friendly" for consumers? How difficult is it for consumers to gain access to services? How responsive is the system to consumer needs? Is the structure of government compatible with client needs and services?
2. *Use of Technology to Provide Services.* Is the system using state-of-the-art technology? Could technological enhancement make the system more efficient and effective?
3. *Coordination of Services.* To what degree are services coordinated across departments? within departments? between the state and regional and local levels? among local agencies?
4. *Use of Public-Private Partnerships to Provide Services.* To what extent do private agencies provide services? Could private agencies provide some services more efficiently or effectively than government agencies? How can government collaborate with private agencies to improve efficiency and effectiveness?
5. *Impact of Economic Cycles on Services.* How are services affected by swings in the economy? What counter cyclical mechanism can be developed to provide needed resources during difficult economic periods?

III. INITIAL FINDINGS

As the Committee has gathered information, several recurring themes have emerged across consumer groups. They include:

1. *Services are fragmented.* This appears to be attributable in large part to categorical funding streams. Consumers who qualify for various categorical programs must face several agencies. This is most apparent for children, youth and families, who may be receiving services from as many as 6 major State agencies. Fragmentation has resulted in duplication or overlap of several services and functions, including:

- case management;
- information and referral;
- advocacy and abuse investigations;

- advisory groups;
- licensing;
- management information systems;
- planning;
- contracting and evaluation; and
- adult protective services;

2. *Service systems have significant gaps.* Several consumer groups face gaps in the continuum of services they need. In some cases, the gap is created by inadequate inter-agency coordination; in other cases, resources are insufficient. Availability of services varies among regions of the State;

3. *Gaining access to the system is often difficult.* Maine has no single source of information or single point of entry for services. Consumers must go from one agency to another to find the services they need, and it is often unclear which agency is the most appropriate to serve a particular consumer. The large, rural nature of the State creates transportation problems for many consumers;

4. *Prevention and early intervention resources are inadequate.* More often than not, a consumer's first exposure to the system is for relatively expensive treatment of a serious problem or condition. The continuum of services for any particular consumer group generally does not include prevention and early intervention because resources are not sufficient to do so;

5. *Trained professionals are in short supply.* Several service areas are experiencing a shortage of trained professionals or expect to experience a shortage in the next several years;

6. *Mandates are inconsistent or need revision.* State and federal mandates are often at odds. State statutes need revision to clarify the State's role in some service areas, including family reunification and mental health services. Confidentiality requirements deter coordination among agencies, resulting in inefficiency;

7. *Community-based services are underdeveloped in some areas.* The State may still be overly dependent upon institutional services. In addition to mental health, the development of more community-based alternatives should be examined in the areas of long-term care and substance abuse;

8. *Technology used by many State agencies is outdated.* Although technological enhancements hold out the greatest promise of improved productivity and efficiency, inadequate investment is made in maintaining current technology.

IV. OPTIONS UNDER DISCUSSION

Based upon information collected to date, the Committee is discussing the following options. The Committee does not expect large savings to result from these or other options it may eventually recommend. While initial findings suggest that services can be delivered more efficiently and effectively, it is clear that needs will always be greater than available resources, and any savings that do result from restructuring should be applied to the many service gaps that exist.

- 1. Remove health services from the Department of Human Services. Combine all child and family social services wherever presently located into a new Department of Child and Family Services.*
- 2. Create a new Department of Physical and Mental Health combining public health, mental health and mental retardation, medicaid and all other health services.*
- 3. Move the Bureau of Rehabilitation from the Department of Human Services to the newly created Department of Physical and Mental Health.*
- 4. Eliminate the Division of Community Services and move its functions to other departments that already provide similar services.*
- 5. Unify all human service, health and related services regions into one common regional system with coterminous boundaries and share regional service delivery resources wherever possible.*
- 6. Create regional boards to plan and implement community mental health services and other services as appropriate.*
- 7. Develop a central information and intake system for all services.*
- 8. Create a unified case management system for families with primary responsibility vested in a single lead agency.*
- 9. Eliminate multiple contracting, evaluation and licensing between many state agencies and private providers. Where multiple contracts and evaluations must exist, use uniform contracts with uniform performance standards.*
- 10. Create a counter cyclical fund to finance health and social services during difficult economic periods.*
- 11. Group overlapping, duplicating, and closely related services, and locate each group in one department or agency. Examples include services for the elderly and advocacy services.*
- 12. Regardless of the configuration of State agencies, raise coordination and collaboration to priority status. Provide a strong interdepartmental coordinating mechanism with authority to mediate disagreements.*

13. Invest in technology that will improve efficiency and planning capability. For example, a 90% federal match is available to enhance technology in the Medicaid program to eliminate paper claims and simultaneously create a data base for timely analysis.

14. Work with state and federal governments to modify laws and rules whose confidentiality requirements interfere with good delivery and management of services.

15. Work with state and federal governments to eliminate categorical funding. Create flexible funding pools oriented to consumer needs.

16. Use funds saved by restructuring, if any, to create a continuum of care and fill present service gaps.

17. Create an effective monitoring mechanism to stem the proliferation of State agencies and to assure that budgets are based on program needs rather than fiscal crises.

18. Encourage the expansion of prevention and early intervention efforts by providing incentives to State and private agencies.

19. Consolidate advisory groups where it makes sense and does not unduly hinder citizen participation.

V. REMAINING WORK OF COMMITTEE

The committee will continue gathering information from various sources, including consumers, providers and chairs of recent study commissions. Recommendations will then be formulated and submitted to the Commission.

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