

Presentation to the State Budget Committee Regarding Solutions to Problems Affecting Public Benefit Programs in Indiana

September 25, 2009

On behalf of the Governing Board of The Generations Project and the voluntary member organizations of the Indiana Home Care Task Force, I want to thank Chairman Kenley and all of the Members of the State Budget Committee for this opportunity to do a presentation regarding welfare privatization and modernization in Indiana. My name is John Cardwell. I serve as the director of Project and as the chairperson of the Task Force.

My assignment is to succinctly present a list of possible solutions to the problems facing Hoosiers who must use the services of the Indiana Family and Social Services Administration's Division of Family Resources. Brevity requires that I only list the solutions. Should the Committee want additional information I would be honored to respond to questions today and to submit additional written comments and information as requested.

The solutions to the problems caused by the Division of Family Resources (DFR) welfare privatization and modernization project are theoretically vast in number. Nonetheless, certain global and specific solutions do stand out.

Selected Global Solutions

From a global perspective the solutions can, and in our view should, include the following seven items.

One, the Indiana General Assembly must assert its proper constitutional obligations and authority regarding public benefit programs in the state. The failure of the legislature to fully and clearly set policy and to determine the parameters of the state's participation in federal poverty programs creates the potential for the misapplication of executive and administrative power.

Two, the state must comply with federal law and regulations in all respects, especially when meeting the needs of individuals and families that must use public benefit programs for their basic medical, nutrition, and family health needs. Under DFR's welfare privatization and modernization, the failure to comply with the letter and intent of federal law is literally placing the lives of Hoosiers throughout the state at risk because that failure results in the denial and termination of services, or the provision of inadequate and untimely services.

Three, **any solutions must begin and end with the mission of meeting the health, nutrition and family maintenance needs of all Hoosiers who are forced by a variety of circumstances to utilize Medicaid, the Supplement Nutrition Assistance Program (SNAP or food stamps), and Temporary Assistance for Needy Families (TANF).** These are the programs administered statewide and through county offices by the Division of Family Resources. A mission of serving less than the full population that is at risk will most certainly guarantee the continuance of a degree of failure in addressing the needs of Indiana's greatest resource: its citizens.

Four, **at a minimum DFR must regain the capacity for an initial comprehensive and competent face to face interview with each of its clients to insure that the decisions that are made from that point forward are the correct decisions for the client and for the state.** If the initial point of contact with a client results in a failure to gather correct information and to make correct decisions that will trigger a long and costly string of failures for the clients and for the state.

Five, **the involvement of for-profit business enterprises in any and all aspects of casework within public benefit programs and in servicing the needs of clients within those programs must end.** Such enterprises have proven to be an unqualified failure.

Six, **publicly employed administrators, caseworkers, and support staff must be fully restored to all the county DFR offices, and as needed in statewide administration, until the system has regained the capacity to serve in a timely and competent manner all the Hoosiers who must reasonably use Medicaid, SNAP and TANF.** This will be a long and expensive process although there are a number of positive short term and long term actions that can be taken to mitigate the time and dollars involved.

Seven, **the entire state human services system must be re-professionalized.** We must bring "merit" back to public administration to restore a sense of mission to FSSA and its divisions, to restore the agency's competence, and to restore the trust of the public (including DFR clients and providers). Welfare privatization and modernization have exacerbated these problems.

Selected Specific Solutions

In no order of importance, here are specific actions that can be taken to address problems associated with the DFR privatization and modernization project.

O Make policy and program decisions from this point forward using confirmed and verifiable facts utilizing accepted and tested data from federal and other reputable sources.

O Privatization, if used at all, should be confined to narrow and tightly controlled technical applications, such as computer maintenance and assisting public employees in establishing contemporary electronic filing and information management systems.

O Require every client to do an initial face to face interview with a fully qualified publicly employed caseworker, and these interviews must be done in the homes and places of residence of clients who have impairments if traveling to a DFR county office places them at risk.

O Re-establish local fraud specialists, who must be fully qualified caseworkers, in county DFR offices.

O Call centers run by for-profit enterprises should be scrapped. In fact, if county offices are properly administered, including doing over the telephone and computer based communications with clients that are appropriately skilled and equipped to do that, then much of the rationale for establishing calling centers simply disappears.

O Telephone and online determinations, re-determinations, and other client services should remain at the option of the client, and then only for clients with the demonstrated capacity to use those means of communications.

O If calling centers are used here are two examples of states that are smartly using them. The state of Louisiana operates a call center manned by its most senior and best publicly employed caseworkers. Louisiana does this in order to minimize mistakes and fraud, which is a major problem for computer and telephone based public benefit programs. The state of Utah uses a call center but only for those persons with the demonstrated skills and the ability to do online and telephonic applications. Everyone in the Utah system must have a face to face initial interview as a fraud prevention measure. For seniors and persons with disabilities Utah provides intensive casework supports including home visits.

O Should a private vendor be allowed to provide limited calling center services it must be demonstrated that the vendor can provide a net benefit over similar or like services in a county office run by public employees.

O True publicly employed caseworkers must provide any and all services involving a client's eligibility through a call center.

O DFR should develop and maintain a paperless record keeping system while maintaining the capacity to communicate in writing at all times with all clients.

O DFR should maintain in each county office a computer based system of client records which can be electronically transferred at a moment request to another county office when the residence of a client changes.

O Locate DFR county offices along public transportation routes.

O Prominently advertise the location of DFR county offices through the local media, churches, charities, trustees, providers and social agencies.

- O Publish and advertise the telephone number of DFR county offices through the local media, churches, charities, trustees, providers and social agencies.
- O All DFR county office should be fully accessible externally and internally for all persons with disabilities.
- O All DFR county office should have the technology and staff to assist individuals during all business hours in alternative communications formats.
- O All DFR eligibility and eligibility re-determination forms should be printed in large plain type and no more than four pages long as an appropriate accommodation for seniors and persons with disabilities.
- O Restore true casework functions to the county DFR offices. Let caseworkers get out in the field for home visits and to communicate with persons who cannot use telephones and computers, and who cannot travel to a DFR office.
- O Establish verifiable quality standards and quality measures for client services and the treatment of clients. These quality assurance mechanisms should be accompanied by the ongoing monitoring of their impact and application including client satisfaction measures. Quality assurance can and should play a huge role in assuring that Medicaid, SNAP and TANF clients are being properly and efficiently served.
- O Establish mechanisms for positive interfaces and cooperation with other state programs and private charitable services.
- O Reimburse, in the short term, private not-for-profit charitable and social service agencies, and township trustee offices, for providing direct material and staff assistance to persons wrongly denied their eligibility for services through Medicaid, SNAP and TANF.
- O Reimburse providers for services rendered to clients who have been wrongly denied their eligibility for services through Medicaid, SNAP and TANF.
- O Give the area agencies on aging (AAAs) presumptive eligibility authority for seniors and persons with disabilities that they serve through Medicaid, Medicaid waivers, and CHOICE (since the latter must first be denied eligibility for Medicaid waivers before they can be served through the CHOICE program). There are several immediate benefits to be realized in granting the AAA presumptive eligibility authority: (1) persons who are greatly at risk of nursing home placements can be quickly placed in home and community based services, which also greatly reduces the state's exposure to high nursing home Medicaid costs, and (2) the AAAs could relieve local DFR offices of the burden of handling complex Medicaid and Medicaid waiver clients, who often have complex spend down issues. Because of privatization and modernization, the DFR county offices have lost much of their capacity to properly handle these cases and when they do they often take 6 to 8 months to resolve them. The AAAs have largely maintained the capacity to

competently handle Medicaid and Medicaid waiver cases in addition to serving CHOICE clients.

O Adopt best practices from other states.

O Do upgrades in technology, administration, and client services on an ongoing basis. Improvements in these areas should be a constant and normal aspect of the administration of public benefit programs and all programs and services under the authority of FSSA.

O Changes in technology, administration and client services should be tested and re-tested with small sample populations and only gradually introduced across the state. This can help insure several things: harm to clients will be minimized or eliminated, the changes will work as intended, and the changes are competently applied.

O DFR and FSSA should establish an ongoing planning process that includes advocacy and client based organizations, standing committees of the General Assembly, federal agencies, and providers. The planning process should draw on resources readily available from the National Governors Association, National Conference of State Legislatures, National Academy for State Health Policy, and the Center on Budget and Policy Priorities (which specializes in public benefit programs).