

Introduction

Federal legislation is shifting responsibility for navigating stand-alone benefit programs and services from individuals to the state

With the economy still underwater, anti-poverty programs have never been more popular. The Great Recession left unprecedented levels of genuine need in its wake. Unemployment continues to hover around the 10 percent mark, and one in seven U.S. residents can't cover the basics.⁷⁶ As a result, human services programs — which now serve a record one in six Americans⁷⁷ — are becoming profoundly expensive (see figure 6-1). These programs are a critical safety net for individuals and families that need help. Increased access to government aid when citizens need it most is a noble undertaking from a public service perspective, but these commendable initiatives are placing additional strain on already-bleak budgets.

Federal assistance under the American Recovery and Reinvestment Act (ARRA) helped states accommodate increased demand during the recent recession, creating temporary breathing room that allowed states to avoid more significant cuts to programs that serve vulnerable individuals and families. Unfortunately, it also helped many states defer tough restructuring decisions. With much of this aid set to expire in 2010, the onus will be on cash-strapped states to find creative ways to reduce the costs associated with delivering human services programs while accommodating increased demand.

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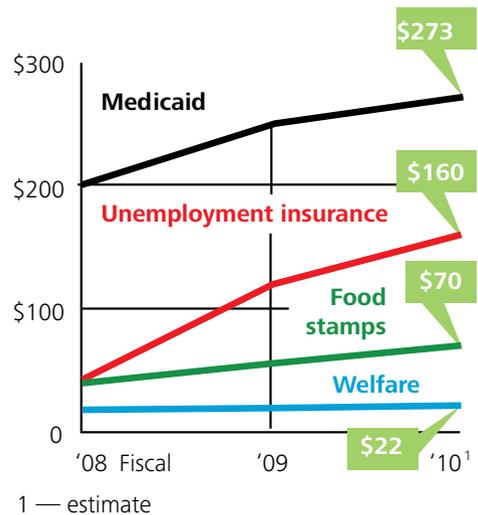
Integrating health and human services delivery 107



Federal health reform is shifting responsibility for navigating benefit programs and services from individuals to the state, thus prompting states to make their health and human services system more accessible to citizens. Previously, disparate benefits and highly idiosyncratic processes to determine eligibility kept penetration rates artificially low in many state programs. With the “no wrong door” vision of the legislation, participation rates in health and human services programs are likely to increase as those who are eligible for multiple programs are automatically enrolled, regardless of which door they come through.⁷⁸

Thanks to the emergence of Web 2.0 technologies, delivering suites of interrelated health and human services programs to support the unique needs of each citizen and family has become more feasible. Service integration is complicated and will require HHS agencies to reexamine delivery strategies, business processes and personnel policies, but providers can now use Web 2.0 tools to work much more collaboratively with the network of government agencies, third-party providers and community partners responsible for delivering services. Moreover, collaborative technologies enable citizens themselves to play a more direct role in shaping the services they receive.

6-1. Federal costs (in billions) for anti-poverty programs have soared since fiscal 2008 began in October 2007



Sources: Congressional Budget Office and Heritage Foundation
By Julie Snider, USA Today

Human services programs have been overshadowed in recent years by more cumbersome, unfunded obligations such as Medicaid and public pensions. While human services may not garner the same level of attention as these mandates, the effectiveness of these programs remains a highly visible way to measure the success of a governor's administration. Reducing the cost to deliver these critical services and improving outcomes will be an important priority for states struggling to balance their budgets while meeting the needs of recession victims.

Almost ironically, human services providers find themselves struggling with the same situations as many of their clients: reduced cash flow, decreased credit availability and difficulty creating long-term financial stability. Because of changes in the way states finance human services, providers are being stretched to the breaking point. Innovation is more likely to wither on the vine than to spread from state to state as programs are created and dismantled based on funding streams rather than need. The time is ripe for states to explore how best to financially empower human services providers to increase capitalization and scale and foster program innovation.

Likewise, flexibility and local innovation — with a focus on outcomes — produced incredible results when welfare reform was enacted in the mid-1990s.

But in the last decade, as the pressure to work subsided and the economy worsened, some of the initial gains made by the state-administered Temporary Assistance for Needy Families (TANF) program were lost. By renewing the work focus of the TANF program, states can rekindle the momentum behind welfare reform. At the same time, advocating for more flexibility in programs like child welfare could serve to jumpstart the post-welfare-reform level of innovation in programs that could benefit greatly from modernization.

The next sections address reform strategies that could be pursued by new governors and their teams to drive state human services reform and integrate health and human services.



Driving state human services reform

Refocusing programs on delivering their intended outcomes

State human services departments are confronted with the same mandate most state government agencies face today: the need to do more with less. While federal stimulus aid has temporarily reduced budgetary pressure in a number of human services programs, states will find themselves hardpressed to meet the increased demand for services as this aid dries up (see figure 6-2). As such, states have a short window of opportunity to start preparing to accomplish more with fewer resources down the road. Governors and legislative leaders should seize this opportunity to modernize human services, reduce the costs associated with delivering them, improve the use of technology and refocus programs on delivering their intended outcomes.

Finding ways to work smarter by using technology to automate business processes so that critical human resources can be redirected to the front lines is central to bringing the delivery of human services programs into the 21st century. Business process reengineering can help to identify more efficient ways of delivering human services by streamlining processes and eliminating duplication. Both Michigan and Texas, for example, have made noteworthy progress in driving integrated human services enrollment and delivery.

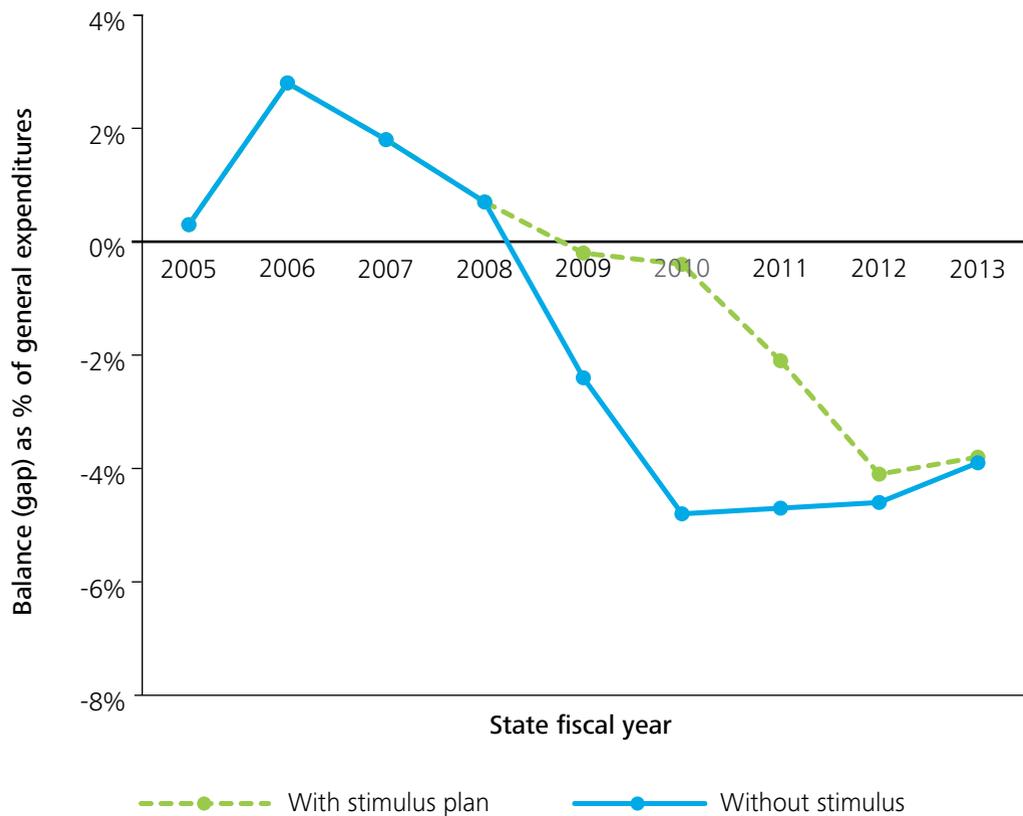
To ensure greatest impact, steps should be taken to adopt new workflows that account for changes associated with the technology solutions

that are introduced. Additionally, by simplifying rules and procedures, human services offices can reduce the volume of office calls or visits.

The success of human services programs in an era of austerity doesn't simply rely on figuring out how to respond to increased demand with fewer resources. Success also hinges on refocusing programs on their intended outcomes: reducing dependence and promoting self-sufficiency. Providing flexibility with respect to how those outcomes are achieved and holding programs accountable for results can help to realize these outcomes.

Looking beyond the expiration of American Reinvestment and Recovery Act funds, states have a more significant opportunity to reform the way health and human services programs are delivered. Health care reform has provided a platform for state administrators to finally integrate health and human services. While states have made progress in better integrating stand-alone benefit programs and services in recent years, historically, there has been a very loose link between the two. Given their common underlying mission — ensuring the basic well-being of society's neediest citizens — strengthening the linkage between the two would catalyze a more fundamental shift in focus from delivering stand-alone programs to helping people on their path to self-sufficiency.

6-2. "Low-Gap" scenario: State general revenue minus expenditures with and without federal stimulus



Source: Donald J. Boyd, *Coping with Effects of Recession in the States*, presented at the Governmental Research Association Annual Conference, The Brookings Institution, Washington, DC, July 27, 2009.

ACTION PLAN FOR REFORMING HUMAN SERVICES

Transforming human services against the backdrop of today's bleak fiscal outlook will be challenging. Recognizing that enabling legislation, existing eligibility and scope of service policy vary by state, here are a set of strategies that can help drive change. These reforms can all be accomplished without large funding increases, adopted within the first year or two of the administration, and in most cases should, in time, result in significant cost savings and service improvements.

Increase focus on client outcomes

Today, not enough focus is placed on outcomes. Human services agencies must determine how to reframe their attention on achieving the stated aims of their programs — helping clients achieve greater self-sufficiency. The first step is to develop the right outcome metrics.

The second step is to engage citizens in shaping the services they receive, making them more active stewards of their own journey. HHS clients want to play a bigger role in determining what services they need from government. They want to compare experiences with their peers and obtain advice on similar cases. Wikis, blogs and other HHS-focused

social networking activities won't just boost citizen satisfaction; they'll improve outcomes by making clients smarter consumers of services.

Equip frontline workers with modern tools

Frontline human services workers have historically been constrained by the information they can carry with them at any one time. Mobile technology has the potential to give frontline human services workers real-time access to information that enables better decisions, which may, in turn, produce better outcomes. More so, mobile devices permit frontline workers to tap into the expertise of peers, drawing upon the collective experience of a community of workers rather than the judgment of an individual.

The State of Florida has streamlined foster care caseworkers' workloads by equipping them with mobile computing devices that permit information sharing and the upload of crucial data in real time. Smart phones and laptops with built in cameras have been distributed to more than 2,300 caseworkers. Using remote data capture,

caseworkers take digital images that immediately upload to the state's child welfare online system, cataloging the date, time and location. The objective is to enable caseworkers to spend more time with children and less time consumed by paperwork.

Increase flexibility to innovate in child welfare

Child welfare is one policy area that has seen minimal advances in recent years. Innovation has been constrained by federal funding streams that support the cost of providing foster care and associated administrative costs but not the delivery of these services. As a result, child welfare departments are challenged to find money to improve service delivery. Allocating modest funds for this purpose, or encouraging more federal flexibility on how to spend federal funds, could help spur innovation in this area.

Several years ago, the State of Florida negotiated a temporary statewide waiver on the use of federal IV-E money, giving it added flexibility to direct federal funds to the delivery of child welfare

Preparing now to accomplish more with less later

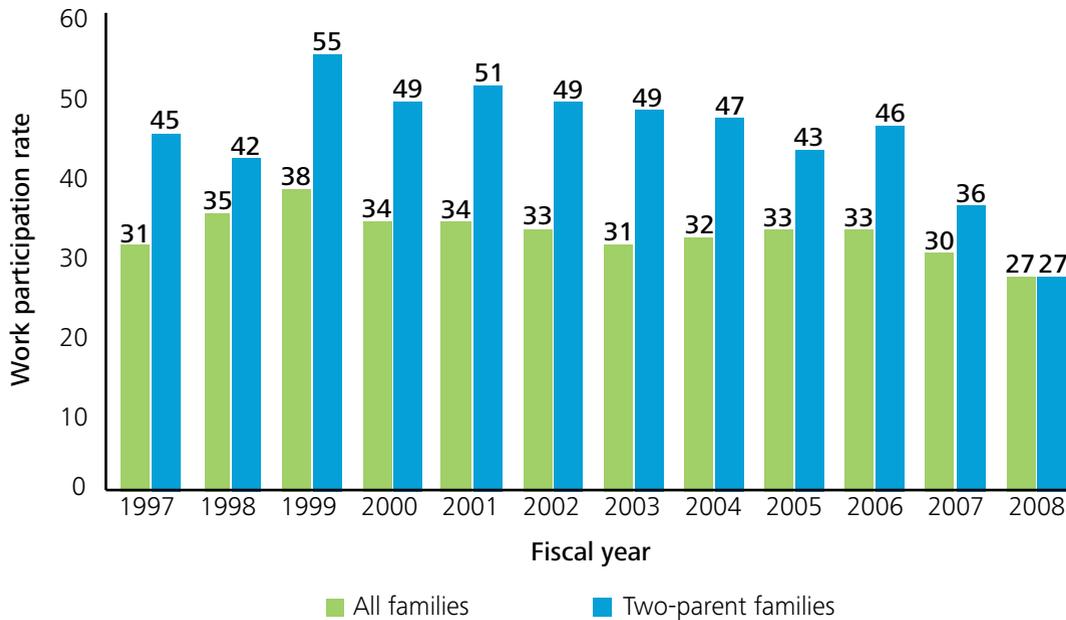
Working smarter:

- Conduct business process reengineering (BPR) analyses to create more efficient ways of delivering human services by streamlining processes and eliminating duplication and stovepipes
- Create more understandable client notices that reduce calls to workers

Using technology:

- Invest in automation technologies for things workers do manually
 - Reduce customer-worker interactions through creative use of self-service mechanisms and the leveraging of community partners
 - Reduce overhead costs by implementing document imaging, scanning, indexing and content-management solutions
 - Streamline client information access by implementing enterprise information sharing across different systems, divisions, agencies and, potentially, partner agencies
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6-3. TANF work participation rates, FY 1997 – FY 2008



Source: Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services, <<http://www.acf.hhs.gov/programs/ofa/particip/indexparticip.htm>>

services. The added flexibility allowed the state to move to a community-based care system with some privatization and more local authority. As a result, the state witnessed a dramatic 30 percent decrease in kids participating in their foster care program. Petitioning for the removal of federal funding constraints would give states more flexibility to allocate money to local innovation.

Innovation in child welfare can also be spurred by evaluating funding streams from the state to local governments. Faced with seemingly endless increases in spending on children and family services (one of the state’s largest line items) through the 2000s, the Commonwealth of Virginia did something quite clever. Instead of simply indiscriminately cutting money for children and families and letting the pain fall where it may, the state did a careful analysis of the entire structure of children and family services spending, including where and why money was being spent. What officials discovered was a perverse set of funding incentives that actually drove local governments (which administer children and family services programs in Virginia) to channel kids into more expensive and clinically less effective

congregate care (group homes and other institutional settings). The problem: Under the state’s reimbursement formula, local governments were actually getting more money for institutional placements than for lower-cost placements in foster homes.

Realizing that the state was, in essence, incentivizing local governments to make bad clinical decisions about foster care placements, the legislature in 2007 voted to reverse the formula. The effect on the budget and on children was immediate: For the first time in decades, the costs of children and family services actually went down, while outcomes for kids improved. “We saved \$100 million in the first two years alone — nobody expected that,” says Republican Senator Emmet Hanger, who was instrumental in pushing the new funding formula through the Virginia Assembly. And while some of those savings were being banked by the state in tough fiscal times, some of the savings were also reinvested in more clinically proven and cost-effective community-based care.

Revive work focus of TANF programs

Recent data suggest a growing disconnect between citizens receiving TANF benefits and their active search for employment, which has been the overriding objective for welfare reform (see figure 6-3). Devising incentives that place greater emphasis on securing a new job would draw a more direct link between benefits received and enrollees' demonstrated commitment to finding employment. By renewing the work focus of the TANF program, states can start to reverse this trend and continue the momentum behind welfare reform.

Reinvent human services financing models

States must determine how best to empower nonprofit and public sector providers to scale and sustain program innovation. Right now, financial models for human services embrace cost reimbursement contracting that favors short-term efficiency over long-term effectiveness. The inflexibility has reduced focus on service quality and outcomes, promoting the status quo over innovation. Program sustainability is threatened as providers move from one grant cycle to the next, creating and dismantling programs based on funding rather than need. The challenge is to figure out what financing mechanisms can be created to increase capital flow to underfunded nonprofit human services providers. One state to watch is the Commonwealth of Massachusetts, which has slowly been moving health and human services providers off cost reimbursement to performance-based contracting.

Roadblocks to overcome

Reducing administrative costs

A disproportionate amount of human services time is devoted to administrative tasks that do not contribute directly to positive client outcomes. Protocols are often confusing, resulting in as many as twenty correspondences every month between a typical household and office. The volume of traffic and additional time spent processing paper prevents human services staff from spending their limited time on service delivery.

Managing an increasing number of beneficiaries

State budgets are further strained by a growing number of citizens becoming eligible for human services benefits. Increased unemployment resulting from the recent recession has put a tremendous burden on already scarce resources available for unemployed citizens, a problem whose time horizon remains uncertain given the slow pace of economic recovery.

What works: Alliance for Children & Families' "Ways to Work"

The Alliance's "Ways to Work" program is a character-based lending initiative that is a classic "hand up, not hand out." Ways to Work lends money to those with bad credit or no credit history so that they can purchase a used car to get to work. The program charges a maximum interest rate of 8 percent, which covers administrative costs, as opposed to the payday loans that typically charge an exorbitant 25–30 percent interest rate. Ways to Work loan recipients realized a 41 percent increase in earnings, and the program enjoys an 88 percent repayment rate, which remained unchanged during the recent recession.

Integrating health and human services delivery

Making services citizen-friendly

Health and human services agencies face tremendous pressure from elected leaders to deliver more effective services to clients who need them. Over the past few years, this has triggered a drive toward service integration — the idea that formerly stand-alone benefit programs and services should be linked together in ways that magnify their impact and improve their usability. Now, the emergence of Web 2.0 technologies presents an opportunity for HHS agencies to work much more collaboratively with the citizens they serve.

To do it right, three critical elements must be addressed: service offerings, technology and workforce management (see figure 6-4). Virtual organizations will gradually replace physical locations for service delivery within the network. Effective agencies will evolve toward a “civic switchboard” concept — where HHS clients are connected to resources both within and beyond traditional government entities — to define and deliver the appropriate set of services for a household and its members.

Under this new paradigm, technology takes the next step after moving to the Web by linking HHS providers within and beyond government. Service delivery encompasses a growing network of public and private organizations to create a service delivery network. Furthermore, as HHS agencies start to feel the effects of a massive wave of retiring Baby Boomers, they will need to revamp hiring and growth plans, provide tools

to encourage collaboration across organizational silos and capture institutional knowledge.

ACTION PLAN FOR INTEGRATING HEALTH AND HUMAN SERVICES

The following four strategies can help state leaders make the vision of integrated health and human services delivery a reality:

Create client-centric access to HHS programs and information

HHS agencies, while remaining responsible for delivering services, need to make information and services available through a variety of different channels — even if public agencies don’t own or directly control some of those channels. These new channels will complement existing HHS portals and other e-government initiatives, and over time, they may begin to replace government-only efforts.

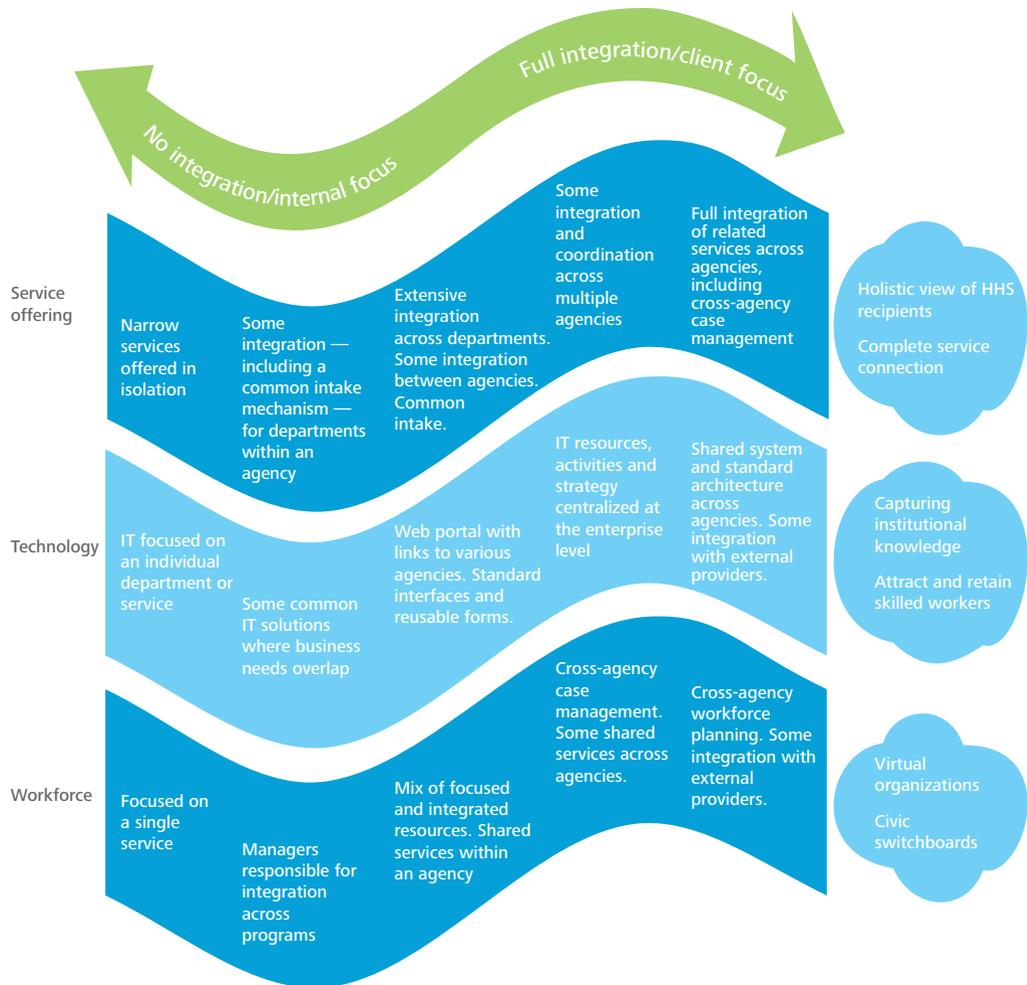
ACCESS Florida, a Web-based application designed to meet the increased demand for public benefits following the 2004 and 2005 hurricane seasons, simultaneously cut the state’s HHS workforce in half. Call centers were established, and community partnerships across the state helped citizens with the new online process for applying for benefits.

Empower citizens with self-service options

Human services employees devote considerable time to helping citizens with tasks that don't require their assistance. Expanding automated self-service options for human services clients would reduce

administrative work for staff, freeing them to allocate time to more meaningful work. Even more importantly, involving citizens directly in the process turns otherwise passive recipients of aid into engaged individuals who are actively trying to become self-

6-4. Service integration 2.0



Source: Deloitte Research

sufficient. Massachusetts' Virtual Gateway is an online portal that serves as a single front door for health and human services programs. The Gateway streamlines the application procedure and reduces the time and effort required to access services.

Promote cross-agency collaboration

A lone human services organization can't address all the needs of clients and their families, so single-agency portals don't adequately support service integration. HHS agencies should explore the development of mashups — compilations of Web services that are managed by different agencies or organizations and delivered through a single online location.

Develop financing models that encourage service integration

Disadvantaged individuals and families often have multiple needs, while government funding is allocated in discreet streams that discourage holistic service delivery. Fragmentation of funding sources places an unnecessary administrative burden on human services providers and consumes resources that would be better spent on the provision of actual client service. A statewide human services strategy — a common approach to human services planning across government departments and agencies premised on serving the individual or whole family — would go a long way in addressing service integration issues.

Roadblocks to overcome

Simplifying the bureaucratic maze

Citizens often face a bureaucratic maze that can make it hard to access the services they need. This fragmentation of human services agencies hinders impactful service delivery and frustrates everyone involved: caseworkers, clients, politicians, care providers and taxpayers. Organizational silos stifle employee opportunities to take a more holistic approach to their cases. Shortcomings in organization undermine the very mission of health and human services: making life better for people. States must therefore overcome the disparate nature of these agencies.

Defining what service integration means for your state

HHS agencies struggle with the exact meaning of service integration. Some define it in terms of combining related services — for example, combining all state health care programs like Medicaid, the Children's Health Insurance Program (CHIP) and disability services — into a single offering. Others see it as grouping different departments and agencies under a single umbrella organization. And to many, service integration is simply a common Web portal with links to various agency Web sites. States must determine what service integration will look like for them.



Interview with

B.J. Walker

Commissioner, Georgia
Department of Human Services

Q..What are the biggest challenges you see facing human service departments over the next few years?

One big challenge is how to serve more people with fewer resources. And how do you bring in state-of-the-art technologies to support that need when there are no resources to pay for technology? A second challenge is how to make changes in the way state government agencies are organized, and what they provide to the public. Who is willing to have the difficult conversation about which services government is not going to perform anymore?

Q..In Georgia, have you found radically different ways to provide human services that allow you to accomplish more with fewer resources?

The biggest thing we're doing in Georgia involves restructuring the back office support required to deliver services. For example, we are restructuring food stamps administration, with different specialists responsible for different aspects of approval and delivery. We're also having customers input their own initial data, either by scanning their documents at kiosks or entering their information when they apply online.

For every service that's delivered according to the "one customer, one caseworker" model — such as Medicaid or TANF — there might be ways to create a new back office model that focuses on efficiency rather than on personal contact. Rather than assuming a face-to-face transaction all the time, we should save face-to-face — which is the most expensive transaction — for when we actually need it.

Q..In child welfare and family services, some governments are starting to make wider use of mobile technology, with data analytics and collaboration tools to transform the way caseworkers do their jobs. What is Georgia doing in that respect?

We are using tablets so that caseworkers can plug back into our Statewide Automated Child Welfare Information System while they're engaged with families. There are probably a thousand other ways to use technology to enhance those transactions. The challenge is how to keep the practice current with the available technology. In government, we have to go through a thousand hoops to get a new system, and then we wind up with systems that are already obsolete, or certainly not on the cutting edge. Every day, we're doing critical transactions with people's lives, and we're operating with systems that are almost always way behind the times.

Q..Have you thought about other models for technology, other than today's model?

If the Feds are setting the standard, and if the Feds are approving all these customized models, why not simply say, "Here's the frame of what we would want you to use"? Or, why don't they pick three, or four, or five frames? From the standpoint of those of us who have to jump through the hoops and have old systems that we cannot afford to replace, it would make more sense.

Q..What are some of Georgia's bigger human services successes over the last few years?

When we need to drive our performance it's usually framed through values. In each of the programs where we've seen significant enhancement of our performance, I attribute it to the value that we explicitly drove into how we ask the workforce to approach the work. For example, when I came here, there were about 29,000 work-eligible adult households on TANF. There are now fewer than 3,000. We recognized that our work participation rate at that time was only 19 or 20 percent, and we had not spelled out for the caseworker or the customer why it was important to work. So we started to articulate that welfare is not good enough to raise children with. The caseworker now had a reason to drive the customer base into work participation, and we had a value to articulate to the customer about why we were doing that. It was very hard for anybody to argue with the values, and that forced a level of performance.

Q..Your work participation rates are among the highest in the country. What are some lessons from Georgia for other states?

We really pay attention to people when they walk in the front door. We engage them from day one in work participation, identifying potential jobs in the community and taking them right to a job that day if we have to. If a caseworker knows there's a job at Waffle House down the street, we'll drive them down there on day one. Some may say Waffle House is not a good enough job. I say — if it's good enough for me to eat there — it's good enough for someone to work there.

Q..Getting back to values, did you use that lens to drive changes in child welfare?

The value was that any move of a child out of the home of their parents is a move to do active harm to the child. That's not typically a child welfare value. We always thought we were rescuing children from bad adults — sometimes, we do need to do that. But we never thought about the consequences of our actions on the actual child.

Once you start to frame that value with the caseworker, now every time I make a decision to move a child is a decision to do harm — whether you move the child within the foster care system or whether you move the child from home into the system. That value asks the caseworker to step back and examine their decisions.

Q..How do you drive innovation in today's economic climate, and what are some of the big challenges of doing so?

We try to give people a wide berth to design locally what works for them, with some guidance about what we want. That's why we go so much from a value base. A lot of public sector workers are operating outside their real, concrete value system because they think policy, regulation and bosses are supposed to tell you what to do. But if you say, "We've got to collectively decide what values we are operating from," then you start to engage people at a depth of themselves that was never called on before. And as long as you're not standing there with a policy book to smack them back down, they pretty much will design for you.

Mid-level managers often don't see the work on a day-to-day basis, and they haven't done day-to-day work in a long time. Their eyes are so focused on what they are trying to tell me or their staff, that they miss stuff under their feet. So we're very particular about them taking a look at a certain number of files a week, and trying to understand what kind of practice is going on in their house. We try to stay as close to the front line practice as we can and give front line workers a reason to come to work every day that isn't just tied to somebody else's vision of what they ought to do.