

***Presentation to the 2019 Health and Human Services
Joint Appropriation Subcommittee***

**Management and Fair Hearings Program
Department of Public Health and Human Services**

The following topics are covered in this report:

- Overview
- Summary of Major Functions
- Highlights and Accomplishments during the 2019 Biennium
- Funding and FTE Information
- Change Packages

Overview

The Management and Fair Hearings program (MFH) is responsible for oversight, management and support of the Operations Services Branch of the Department of Public Health and Human Services. The Operations Services Branch provides leadership for the implementation and operation of the Department's programs and services for Montanans and provides guidance to the agency on budgetary and financial management. The divisions within the Operations Services Branch support the activities of DPHHS in the areas of accounting, budgeting, economic analysis and projections, technology services, quality assurance and auditing, and fair hearings for clients.

The divisions within this Branch:

- **Business and Financial Services Division (BFSD)** is a dedicated team of accountants, financial policy, and operational staff. BFSD provides professional accounting, budgeting, procurement, contracting, and business services that are crucial to the delivery of DPHHS services.
- **Technology Services Division's (TSD)** staff of enthusiastic programmers, network analysts, and security personnel provide information technology services and systems support. This support improves DPHHS efforts to manage programs that protect children, improve community health, and provide health care, food, and other forms of assistance for Montanans.
- **Quality Assurance Division (QAD)** provides independent assessment and monitoring of human services for compliance as required by federal and state law.
- **Management and Fair Hearings (MFH)** provides high-quality leadership, analysis, financial management and stewardship, and fair hearings.

Summary of Major Functions

The Operations Services Branch assists the Department with best business practices to provide the right services to the right people at the right time. The Branch makes effective use of resources to determine program eligibility; make payments; offer budgeting, accounting and reporting on cost of services; conduct oversight; analyze participation in department programs within the context of state and national economic trends; and offer impartial review of Department decisions.

Management and Fair Hearings (MFH) offers the following services to the entire agency:

- The Operations Services Branch Manager provides leadership for the implementation and operation of the Department's programs and services.
- The Chief Information Officer supports agency-wide strategic visioning by developing and implementing information sharing solutions, external reporting strategies, and business process improvements.
- The Office of Strategic Planning, Research and Analysis establishes methodologies and dynamic models to accurately forecast expenditures that aid the department in monitoring and managing its budget, as well as planning for future budget and agency initiatives.
- The Office of Budget and Finance supports budget analysis, financial projections, and federal reporting and compliance.
- The Internal Audit Bureau assesses financial management, proper internal control, contract and regulatory compliance, and program performance.
- The Office of Fair Hearings provides impartial administrative hearings for individuals or entities who may have been adversely impacted by a program administered by the Department.

Strategic Information, Analysis, Project Management and Business Support

DPHHS strives to optimize business processes and enhance systems to ensure that its operations are streamlined and reflect 21st century innovations and standards. We accomplish this through several strategies:

Data-Driven Decision Making and Data Transparency

DPHHS made significant advances in the last biennium to increase data-driven decision making, particularly through cross-program collaborations among DPHHS programs and other state agencies and partners. The Department developed multidisciplinary workgroups to facilitate data sharing, coordinate analyses, and develop shared messaging to increase transparency and communication with partners.

Modernized Tools for Reporting

DPHHS continues to implement initiatives to modernize reporting tools that improve performance management, establish benchmarks, and eliminate unnecessary guesswork and inefficiencies. In 2018, DPHHS updated its contract management system with a cloud-based repository that allows us to streamline administrative processes for maintaining and managing contracts. In partnership with the Montana Healthcare Foundation, we also launched a new interactive online dashboard that improves how we share data with the public about the health benefits and the local impact of Montana’s Medicaid Expansion program. We continue to expand our access to data concerning the important programs and services we deliver through the Department.

Project Management

The project management team oversees complex, statewide initiatives and applies best practice principles to all business delivery improvements, which are designed to facilitate access to services and improve health outcomes for all Montanans. The Department’s robust project management services enhance the development and standardization of frameworks, the development of consistent shared messaging, and improved reporting and transparency. Project management staff also establish processes for decision making and implementing strategic department initiatives.

Technical Writing and Technical Training and Development

DPHHS continues to build business operation support to all DPHHS divisions. As part of the Office of Analysis, Planning, Programs and Learning, the Technical Writers develop communications and outreach strategies to ensure consistent messaging across divisions and programs. They develop internal and external communications to promote transparency and to reflect the Department strategic plan in all written materials. Training and Development Specialists collaborate with department management to understand business performance gaps, as well as the State of Montana’s technology landscape and strategic direction. Specialists develop Information Technology best practice training courses to improve business productivity and performance outcomes. They ensure that the Department is operating on the most up-to-date technology and that all staff are equipped with appropriate knowledge and skills to best serve Montanans.

Budget and Finance Services

The Office of Budget and Finance (OBF) oversees the Department’s \$4 billion biennial budget, which includes over 220 different funding streams. OBF directs the proper utilization, tracking, and management of DPHHS’s appropriations in accordance with state statute and federal regulations.

Internal Audit

The internal audit staff helps DPHHS operate efficient and effective programs by providing desk reviews of external audits, procedure reviews, internal control testing, and contract and regulatory oversight. The unit’s work is a valuable tool to ensure that agency service providers

manage state and federal funding appropriately. Audit proposals are developed by audit staff and presented to the Internal Audit Committee for consideration and selection.

Fair Hearings

The Office of Fair Hearings provides impartial administrative hearings for citizens to appeal adverse decisions from DPHHS. Hearings officers adjudicate a wide range of department-related issues. As a part of the effort to improve operational efficiencies this biennium, the Child Support Enforcement Division fair hearings unit was consolidated with the OFH. Written decisions of this office are binding unless appealed to the state Board of Public Assistance, the Department Director, or a District Court. Some of the types of issues that are addressed include:

- Eligibility and service for public assistance programs;
- Licensing and certification for entities, such as child care and day care facilities and nursing homes;
- Decisions related to child support;
- Ability to pay for care in state facilities;
- Denial of admission to or discharge from state facilities and long-term care facilities;
- Substantiation of child abuse and neglect; and
- Eligibility for vocational rehabilitation services.

Highlights and Accomplishments During the 2019 Biennium

Improving Business Processes

DPHHS implemented several key initiatives to optimize business processes and enhance systems for financial management.

Improving Contract Management

DPHHS administers and manages thousands of contracts each year for hundreds of vendors who provide services to the department, tribal, and local communities. Starting in 2016, the State Procurement Bureau within the Department of Administration began using a centralized, online contract application process for vendors through the Electronic Montana Acquisition and Contracts Management System (EMACs). To complement the online contract application process, DPHHS started implementing the eMACs Total Contract Manager (TCM) Solution for department contracts in early 2018. The eMACs Contract Manager will allow the full lifecycle of DPHHS contracts to be managed electronically -- from e-verifying signatures, to building and monitoring contract deliverables and deadlines, to requesting and submitting documentation.

In the past, individual programs developed systems to manually track contracts, creating administrative burden and redundancy. Through TCM, all DPHHS contracts will be created, maintained, and managed in one easy-to-search, cloud-based repository. Department-wide implementation of TCM will allow for standardization of contract management, including the use of electronic timelines with automated reminders sent to both DPHHS staff and vendors. The system allows spending to be tracked against contracts and integrates DocuSign. As a result, all signatures, documentation, reporting, and verification can be requested and submitted electronically, which reduces paperwork and streamlines administrative processes. Through this initiative, thousands of contracts representing millions of dollars in state and federal dollars will be managed better and more efficiently.

Digitizing document management and workflow processing

DPHHS is adopting the widespread use of Perceptive Content Management, which is supported by the State Information Technology Service Division, to move to digital documentation and electronic workflow processes that will streamline approvals and ensure adequate controls. Perceptive allows DPHHS to migrate many of its current processes from paper to digital, while supporting more advanced enterprise content management and business process management. DPHHS plans to digitize department-wide processes, such as travel approval and reimbursement and general ledger journal processing (over 7,000 processed each year). Over time, Perceptive will allow DPHHS to not only reduce the amount of paper storage, but to also streamline and automate workflow for many operational areas within the Department, such as business and financial services, and legal and human resources.

Building capacity for project management

Project management is a core function within DPHHS and the team oversees initiatives statewide to facilitate access to services and improve health outcomes. DPHHS management shifted from an IT-focused program management service to one that incorporates these principles into all aspects of business delivery. These expanded services increase the department's ability to manage projects, develop and standardize frameworks, develop shared messaging, improve reporting and transparency, and establish processes for decision making and implementation of department initiatives. Having a centralized unit to provide these services will move the Department from organically-developed, localized practices to professional project management practices with standardized, documented decision-making processes.

Strengthening internal controls

The U.S. Government Accountability Office publishes the Standards for Internal Control in the Federal Government, known as the "Green Book," which outlines practices for building an effective internal control system for federal agencies. Internal controls are processes for assuring an organization meets its objectives related to reliable financial reporting, compliance with laws, regulations and policies, and operational effectiveness and efficiency. DPHHS is working to strengthen the agency's internal controls by expanding process documentation to non-financial areas and updating leadership job descriptions to include individual responsibility for internal controls. One of the recently developed controls involves an address validation process for all SNAP, TANF, and Medicaid clients to reduce returned mailings. Controls using technology to implement intelligent validation processes help reduce unnecessary expense and ensure good use of taxpayer dollars.

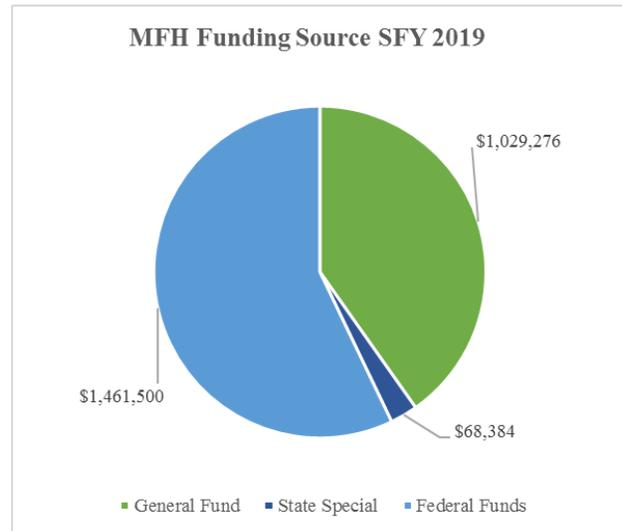
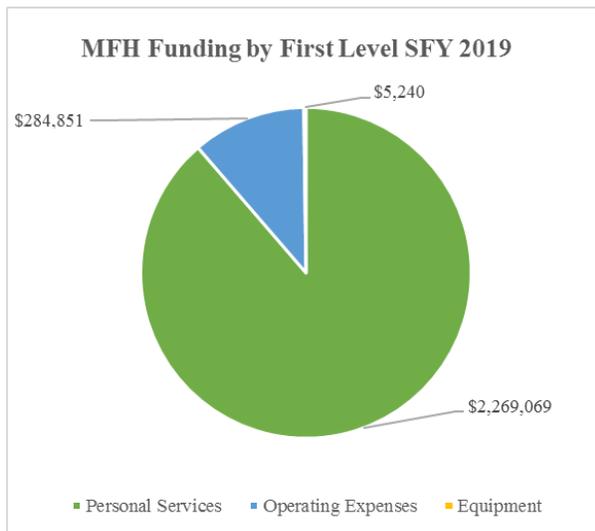
Standardizing grant application process

In August of 2018, DPHHS partnered with the Association of State and Territorial Health Officers (ASTHO) and the Center for Creative Leaders to sponsor a day and a half training called "Boundary Spanning Leadership" (BSL). The training is designed to "catalyze collaboration, drive innovation, and transform organizations" by breaking down silos and training agency leaders to work collaboratively and creatively to tackle 21st century challenges. All key department leadership including Director's Office staff, Branch Managers, and Division Administrators participated in the training.

DPHHS is committed to applying boundary spanning principles to achieve system delivery improvements. Department staff selected the grant application process as the initial project for applying BSL principles. Using the boundary spanning methodology, DPHHS implemented a roadmap for applying for grants in the department that fosters collaboration across divisions and improves the process for gathering and reporting data. As programs submit potential grant applications for approval, the Department will have a clear process through which a designated team will analyze whether the grant aligns with the Department's strategic directions and whether DPHHS has the capacity to receive and administer the grant.

Funding & FTE Information

	SFY 2019 Budget	SFY 2020 Request	SFY 2021 Request
Management and Fair Hearings			
FTE	30.00	30.00	30.00
Personal Services	\$2,269,069	\$2,756,745	\$2,755,391
Operating Expenses	\$284,851	\$284,889	\$284,898
Equipment	\$5,240	\$5,240	\$5,240
Grants	\$0	\$0	\$0
Benefits & Claims	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0
TOTAL COSTS	\$2,559,160	\$ 3,046,874	\$ 3,045,529
	SFY 2019 Budget	SFY 2020 Request	SFY 2021 Request
General Fund	\$1,029,276	\$1,224,365	\$1,223,828
State Special	\$68,384	\$78,137	\$78,110
Federal Funds	\$1,461,500	\$1,744,372	\$1,743,591
TOTAL Funds	\$2,559,160	\$3,046,874	\$3,045,529



Change Packages

Present Law Adjustments:

SWPL – 1 – Personal Services

The budget includes \$487,676 in FY 2020 and \$486,322 in FY 2021 to annualize various personal services costs including FY 2019 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2020	\$877,551	\$877,551	\$307,406	\$2,062,508
FY 2021	\$2,804,498	\$2,804,498	\$978,489	\$6,587,485
Biennium Total	\$3,682,049	\$3,682,049	\$1,285,895	\$8,649,993

SWPL – 3 – Inflation/Deflation

This change package includes an increase of \$38 in FY 2020 and \$47 in FY 2021 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the statewide Motor Pool operated by the Department of Transportation.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2020	\$19	\$0	\$19	\$38
FY 2021	\$23	\$0	\$24	\$47
Biennium Total	\$42	\$0	\$43	\$85