

State of Alaska FY2007 Governor's Operating Budget

Department of Health and Social Services Departmental Support Services Results Delivery Unit Budget Summary

Departmental Support Services Results Delivery Unit

Contribution to Department's Mission

To provide quality administrative services that support the Department's programs.

Core Services

- Promote cost containment. Maximize revenue.
- Provide Divisions with necessary information to improve compliance with federal and state laws/policies to ensure our fiduciary responsibilities are met.
- Improve DHSS staff knowledge and skills and maintain high morale to continually improve performance and services for Alaskans.
- Provide efficient centralized administrative support to 9 DHSS Divisions; offices in Juneau and Anchorage.

The components of the Department Support Services RDU contribute towards the Core Services as follows:

- The Commissioner's Office component funds upper-level management and policy development for the entire department.
- The Office of Program Review component ensures that DHSS programs accomplish their goals, and helps Divisions find ways to refinance programs to ensure that, to the maximum extent possible, services continue to be provided to those most in need.
- The Rate Review component establishes efficiency and consistency in rate-setting functions throughout the Department. Rate setting will be centralized for all services including Medicaid facilities, foster care and child care facilities.
- The Administrative Support Services component funds financial, budget, procurement, grant and professional service contract administration, and information services, audit services as well as human resource liaison functions.
- The Hearings and Appeals component focus is on Health Care Facility appeals of Medicaid payment rates and audit findings.
- The Facilities Management component includes the management of the department's capital programs.
- The Health Planning and Infrastructure component focus is on community health needs assessments, health indicators tracking, data analyses and reports, health plan development, community health grants, health service design and documentation of program effectiveness through health care data.
- The Facilities Maintenance component, Pioneer Homes Facilities Maintenance, and HSS State Facilities Rent components record dollars spent to operate state facilities. These units collect costs for facilities operations, maintenance and repair, renewal and replacement as defined in AS 35 Public Buildings, Works, and Improvements and pay rent fees for Rent Project.
- The Information Technology (IT) component focus is to improve the efficiency and effectiveness of IT services and develop a more capable IT organization for the department.

End Results	Strategies to Achieve Results
<p>A: Facilitate the Department's Mission Through Superior (effective & efficient) Delivery of Administrative Services.</p> <p><u>Target #1:</u> Maintain percentage of DHSS Administration to Department overhead.</p> <p><u>Measure #1:</u> Percentage administration personal services is to total department budget.</p>	<p>A1: Implement Business Process Reviews.</p> <p>A2: Implement Department's Administrative Training Plan Curriculum.</p>

<p><u>Target #2:</u> Process capital grant payments within 15 days. <u>Measure #2:</u> Number of days to process a grant payment after receiving reports.</p>	
End Results	Strategies to Achieve Results
<p>B: Improve Customer Service</p> <p><u>Target #1:</u> Increase by 2% the percentage of customers that report that Finance and Management Services is meeting their needs from FY05 to FY06. <u>Measure #1:</u> Percentage of survey respondents to each Finance and Management Section (FMS) that report FMS is meeting their needs.</p>	<p>B1: Establish and Maintain Guaranteed Standards. B2: Continue Customer Service Plan.</p>
End Results	Strategies to Achieve Results
<p>C: Improve overall management of DHSS budget processes.</p> <p><u>Target #1:</u> Increase percentage of federal collections by 1% a year. <u>Measure #1:</u> Percentage of federal collections.</p> <p><u>Target #2:</u> Improve Legislative understanding of the DHSS budget. <u>Measure #2:</u> Respond to 80% of legislative inquiries by Budget Unit within 5 working days.</p>	<p>C1: Increase federal collections. C2: Improve Legislative understanding of the budget.</p>
End Results	Strategies to Achieve Results
<p>D: Facilitate the Department's day-to-day operations through effective and efficient delivery of Information Technology Services.</p> <p><u>Target #1:</u> Reduce the length of time and number of hours to respond and close out service calls. <u>Measure #1:</u> Number of hours to close out service calls.</p> <p><u>Target #2:</u> Anticipate 75% of IT Business Application projects completed on time and within budget. <u>Measure #2:</u> Projects completed within 10% of estimated timeline and funding.</p>	<p>D1: Improve IT service call turn around time by implementing and maintaining software tracking system.</p>

FY2007 Resources Allocated to Achieve Results									
FY2007 Results Delivery Unit Budget: \$59,487,100	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Personnel:</td> </tr> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">366</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">1</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">367</td> </tr> </table>	Personnel:		Full time	366	Part time	1	Total	367
Personnel:									
Full time	366								
Part time	1								
Total	367								

Performance Measure Detail

A: Result - Facilitate the Department's Mission Through Superior (effective & efficient) Delivery of Administrative Services.

Target #1: Maintain percentage of DHSS Administration to Department overhead.

Measure #1: Percentage administration personal services is to total department budget.

Percentage administration personal services is to total department budget

Year	YTD Total
2003	0.36%
2004	0.43%
2005	0.13%

Analysis of results and challenges: Department administration personnel services equal all of Department Support Services RDU. This number is compared to the total DHSS Expenditures.

As a result of recruitment and retention difficulties in FY05, numerous vacancies occurred within the Department Support Services RDU resulting in a lower percentage for the year. The department continues to recruit for qualified candidates including out-of-state when necessary.

Target #2: Process capital grant payments within 15 days.

Measure #2: Number of days to process a grant payment after receiving reports.

Number of days to process a grant payment after receiving reports.

Year	YTD Total
2003	5.60 days
2004	4.89 days
2005	3.11 days

Analysis of results and challenges: There were 87 capital grant payments with only 5 that did not process within 15 days.

A1: Strategy - Implement Business Process Reviews.

A2: Strategy - Implement Department's Administrative Training Plan Curriculum.

B: Result - Improve Customer Service

Target #1: Increase by 2% the percentage of customers that report that Finance and Management Services is meeting their needs from FY05 to FY06.

Measure #1: Percentage of survey respondents to each Finance and Management Section (FMS) that report FMS is meeting their needs.

Service	2003	2004	% Change	2005	% Change
Grants & Contracts	68.2%	64.9%	-5.1%	65.4%	0.8%
Procurement	70.8%	66.5%	-6.2%	71.3%	6.7%
Facilities Management	75.7%	78.1%	0.5%	76.5%	0.5%
Audit	74.0%	81.9%	9.6%	78.3%	-4.6%
Finance	63.1%	64.8%	2.6%	62.7%	-3.3%
Information Services	72.4%	71.4%	-1.4%	70.9%	-0.7%
Budget	66.8%	67.4%	0.9%	70.8%	4.8%
Assistant Commissioner's Office	74.3%	71.9%	-3.3%	76.7%	6.3%
Human Resources*	60.0%	57.0%	-5.3%	65.2%	12.6%

* No longer in DHSS but still tracking.

Analysis of results and challenges: A customer survey on Finance and Management Services performance is conducted annually.

Survey results show that 64.0% of survey respondents ranked overall FMS service performance to be above average (6) or higher on a scale of 1-10.

Individual core services are surveyed, however only the overall results are shown in the above table. Combined average of respondents agreeing or highly agreeing that core services are meeting their needs is 71.5% for 2005, an increase of 0.9% over 2004. This is compared to a 0% increase from FY03 to FY04.

The long-term target is to increase the % of respondents showing that FMS is meeting their needs by 5% from the base year of 2003.

Although the department saw increased results in some service areas from FY04 to FY05, the overall % did meet expectations. Finance and Management Services conducted Business Process Reviews in FY05 on all services provided and is in the process of implementing recommendations from those reviews. We anticipate that these improvement areas, i.e. finance, budget and revenue, will help increase respondent ratings in FY06.

B1: Strategy - Establish and Maintain Guaranteed Standards.

B2: Strategy - Continue Customer Service Plan.

C: Result - Improve overall management of DHSS budget processes.

Target #1: Increase percentage of federal collections by 1% a year.

Measure #1: Percentage of federal collections.

Percent of DHSS Budget that is Federal

Year	YTD Total
2002	51.4%
2003	53.6%
2004	54.5%
2005	55.6%

Target #2: Improve Legislative understanding of the DHSS budget.

Measure #2: Respond to 80% of legislative inquiries by Budget Unit within 5 working days.

% of Responses for Legislative Requests made within 5 working days

Year	YTD Total
2002	83%
2003	83%
2004	78%
2005	79%

Analysis of results and challenges: The Budget Section received approximately 147 requests in CY 2003, 186 in CY 2004 and 236 in FY 2005.

In previous years (2002 to 2004) the data was reported on calendar year but now (2005) the data is collected by fiscal year. The average processing time is 4.0 days and 79% were completed within 5 working days.

C1: Strategy - Increase federal collections.**C2: Strategy - Improve Legislative understanding of the budget.****D: Result - Facilitate the Department's day-to-day operations through effective and efficient delivery of Information Technology Services.**

Target #1: Reduce the length of time and number of hours to respond and close out service calls.

Measure #1: Number of hours to close out service calls.

Average Number of Days to Complete Service

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2005	N/A	14.2	6.3	5.6	8.2

Analysis of results and challenges: This measure was developed in FY05. There are a total of 15 categories of work/service performed that have been used to calculate the above averages. (In the 2nd quarter there were only 13 categories tracked.)

Examples of categories are, but not limited to:

Setting up Accounts; Application work; password setup; procurement of equipment; relocation of equipment; security; software; web; hardware or file maintenance, etc.

Target #2: Anticipate 75% of IT Business Application projects completed on time and within budget.

Measure #2: Projects completed within 10% of estimated timeline and funding.

Analysis of results and challenges: This is a new measure in FY05 and the department is still working on the various aspects of tracking and defining the response/delivery time of business applications.

Thus far the division has tracked the number of calls for the following categories of work:

- # of New Business Application requests - 45
- # of Unassigned - 22
- # of Assigned Requests (in-house) - 10
- # of Assigned Requests (contractor/Task Order) - 8
- # of completed projects - 15
- # of Projects in Progress - 40

The division is also tracking application maintenance separately:

- # of maintenance requests - 2,126.
- # completed - 1,582 or 74%

Staff is working to develop a target for response time in this area; however with the varying levels of application development a weighted score will need to be developed.

D1: Strategy - Improve IT service call turn around time by implementing and maintaining software tracking system.

Key RDU Challenges

As the administrative and management unit of the department, the following are key challenges:

- The Federal 9th Circuit denied the State's appeal on Medicaid Fairshare with a substantial cost to the state.
- Continue to manage DHSS programs, policy and budget in an effective and efficient manner.
- Achieve the department results outlined in performance measures and develop means to monitor them.
- Continue to work with federal agencies to comply with requirements and achieve mutual goals.
- The complex Medicaid budget continues to be a challenge including personal care attendants (PCA).
- Recruitment and retention problems for DHSS staff are rising, particularly nurses.
- Maintain a secure information technology environment and upgrades due to Health Insurance Portability & Accountability Act (HIPAA) requirements.
- Improving management and operations of DHSS cost allocation and revenue management system.
- Information Technology systems are high risk and difficult to manage.
- High cost of utilities and fuel for DHSS facilities.

Significant Changes in Results to be Delivered in FY2007

Investments are required to improve service in:

- Revenue management to assure \$900 million in federal funds is collected accurately and timely for DHSS.
- Investment in IT security for networks will allow DHSS to meet Health Insurance Portability & Accountability Act (HIPAA) mandates and secure confidential client information.
- Wage increases for DHSS Nurses.

Major RDU Accomplishments in 2005

- Finance and Management Services (FMS) was created to implement the best and most effective way to organize administrative functions within DHSS.
- Awarded contract and began work on the long-term Medicaid Projection report and database project.
- A new Public Assistance Cost Allocation Plan for DHSS is 99% approved by the Federal Division of Cost Allocation.
- Grants and Contracts responded to 15 grant award appeals without hearings and handled 4 protests for professional service contracts successfully.
- Recovered \$785,000 of unexpended and/or misspent grant funds.
- Completed planning cost estimate for the Fairbanks Detox Center.
- Completed design and started construction of the conversion of the Alaska Veterans and Pioneers Home in Palmer.
- Completed Alaska Psychiatric Institute.
- Completed Nome Youth Facility expansion and upgrades.
- Built a Customer Services Call Center dedicated to all of DHSS.
- The Online Resources for Children of Alaska (ORCA) went into production statewide in February 2005.
- Completed Module 1 (the application development phase) of eGrants.
- Hearings and Appeals held 216 fair hearings and issued 191 fair hearing decisions.

Contact Information

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**Departmental Support Services
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
Medicaid	0.0	2,691.7	0.0	2,691.7	0.0	6,239.3	0.0	6,239.3	0.0	6,243.8	0.0	6,243.8
School Based Admin Clms												
Non-Formula Expenditures												
Commissioner's Office	130.5	347.0	431.7	909.2	204.7	348.9	370.1	923.7	238.1	370.9	370.1	979.1
Office of Program Review	412.1	681.5	101.8	1,195.4	1,244.3	1,136.2	47.8	2,428.3	1,353.7	1,232.9	47.8	2,634.4
Rate Review Assessment and Planning	383.6	384.8	0.0	768.4	497.8	503.1	0.0	1,000.9	527.3	532.6	0.0	1,059.9
Administrative Support Svcs	84.3	84.3	0.0	168.6	125.0	125.0	0.0	250.0	125.0	125.0	0.0	250.0
Hearings and Appeals	3,590.7	3,987.4	1,950.2	9,528.3	5,389.0	6,253.9	1,698.8	13,341.7	8,519.5	6,537.2	1,698.8	16,755.5
Audit Facilities Management	0.0	0.0	0.0	0.0	472.1	57.6	0.0	529.7	499.1	61.4	0.0	560.5
Health Planning & Infrastructure	49.8	31.6	118.1	199.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Technology Services	0.0	65.2	677.7	742.9	96.9	98.8	738.6	934.3	98.9	104.7	780.6	984.2
Facilities Maintenance	10.8	1,722.4	96.0	1,829.2	149.6	3,176.0	247.7	3,573.3	156.4	3,264.3	200.1	3,620.8
Pioneers' Homes Facilities Maint	5,157.5	5,453.5	2,947.5	13,558.5	6,205.0	8,217.3	1,163.6	15,585.9	7,243.0	8,221.3	1,163.6	16,627.9
HSS State Facilities Rent	0.0	0.0	0.0	0.0	0.0	0.0	2,584.9	2,584.9	0.0	0.0	2,584.9	2,584.9
	0.0	0.0	0.0	0.0	0.0	0.0	2,125.0	2,125.0	0.0	0.0	2,125.0	2,125.0
	3,713.5	335.1	0.0	4,048.6	3,713.5	425.6	79.3	4,218.4	4,556.2	425.6	79.3	5,061.1

**Departmental Support Services
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Totals	13,532.8	15,784.5	6,323.0	35,640.3	18,097.9	26,581.7	9,055.8	53,735.4	23,317.2	27,119.7	9,050.2	59,487.1

Departmental Support Services
Summary of RDU Budget Changes by Component
From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	18,097.9	26,581.7	9,055.8	53,735.4
Adjustments which will continue current level of service:				
-Commissioner's Office	28.1	18.5	0.0	46.6
-Office of Program Review	99.0	88.9	0.0	187.9
-Rate Review	24.8	24.8	0.0	49.6
-Administrative Support Svcs	642.3	230.5	0.0	872.8
-Hearings and Appeals	22.8	3.2	0.0	26.0
-Medicaid School Based Admin Clms	0.0	3.7	0.0	3.7
-Facilities Management	1.7	5.0	35.5	42.2
-Health Planning & Infrastructure	5.7	74.1	4.2	84.0
-Information Technology Services	433.7	-56.6	0.0	377.1
Proposed budget decreases:				
-Health Planning & Infrastructure	0.0	0.0	-52.6	-52.6
Proposed budget increases:				
-Commissioner's Office	5.3	3.5	0.0	8.8
-Office of Program Review	10.4	7.8	0.0	18.2
-Rate Review	4.7	4.7	0.0	9.4
-Administrative Support Svcs	2,488.2	52.8	0.0	2,541.0
-Hearings and Appeals	4.2	0.6	0.0	4.8
-Medicaid School Based Admin Clms	0.0	0.8	0.0	0.8
-Facilities Management	0.3	0.9	6.5	7.7
-Health Planning & Infrastructure	1.1	14.2	0.8	16.1
-Information Technology Services	604.3	60.6	0.0	664.9
-HSS State Facilities Rent	842.7	0.0	0.0	842.7
FY2007 Governor	23,317.2	27,119.7	9,050.2	59,487.1