



Ken Slenkovich, Tara Dolansky, and Lori Sommerfelt
Testimony- Senate Finance Medicaid Subcommittee
Tuesday, May 7, 2013

Good morning Chairman Burke, Vice Chair Jones, Ranking Member Cafaro and members of the Senate Finance Medicaid Subcommittee. My name is Ken Slenkovich. I am the Associate Director at the Center for Community Solutions. My colleagues and I have recently completed a series of analyses that highlight opportunities for resource sharing and reduced costs for three public systems: the public health system, the child welfare system, and the adult protective services system. Our intent was to provide you and those systems with guidance regarding how these systems might realize some savings and improve efficiency. We did this as part of a Department of Development contract that was issued to Greater Ohio Policy Center who subcontracted with us. We also hope these reports provide support for the continuation of the Local Government Innovation Fund (LGIF), because we believe these dollars have been and could continue to be the catalyst for local governmental entities to pursue some of the cost savings ideas we discuss in the reports. I was one of the authors of the report entitled *Resource Sharing Among Ohio's Local Health Department*.

Local Health Departments

As you know, local public health services are primarily provided by the 125 local health departments we currently have in Ohio. In recent years the number of local health departments has been shrinking due to merger and contracting of services. As we speak, I am aware of conversations occurring between at least 9 or 10 local health departments, and I expect more of these to occur in the immediate future. The largest consolidation of local health departments that has occurred in recent years was between the Akron City, Barberton City, and Summit County health departments. I served as the consultant that conducted the feasibility study for that effort. In our report, we highlight the success of the Summit merger and include insights from the health commissioner and other public health leaders that we hope you will find useful.

When it comes to local health departments and the important role they play in improving and protecting population health status, we are especially interested in identifying strategies that will strengthen their ability to reduce the prevalence of chronic diseases like heart disease, stroke, cancer, and diabetes. These and other chronic conditions add millions of dollars to Medicaid expenses, as you know. The good news is that there are known prevention programs that local health departments can implement in communities throughout Ohio. However, to do

so effectively they need to be better equipped and funded. Resource sharing and consolidation can result in improving the capacity of local health departments to address chronic diseases. For example, after their consolidation with Akron and Barberton, the Summit County health department successfully competed for a large federal grant intended to improve the health status of their community.

Mr. Chairman, you are also aware of the recommendations that resulted from the Legislative Committee on Public Health Futures. If implemented, several of those recommendations would strengthen Ohio's local health departments to work toward reducing chronic diseases.

In addition, we identified the follow opportunities for resource sharing to increase efficiency:

- Sharing senior management responsibilities between health departments such as health commissioner and medical director. Personnel costs are the single largest type of expense for local health departments. In our report we give examples of the salary amounts that could potentially be saved through resource sharing or consolidation.
- Sharing back office administrative functions, for example, IT functions.
- Contracting for specific services such as health education, restaurant inspections, and immunization clinics.

In addition to opportunities, there are challenges to be overcome including:

- Staff reductions. It is very difficult for organizations to make staff reductions, however, the experience of some local health departments that have consolidated is that natural attrition occurs over a relatively short period of time that significantly reduces personnel costs.
- Fear of Loss of Services. Local stakeholders typically express concerns that changes to the system might result in reduced services or access to them. The experience doesn't seem to bear this out however, so people need to have the facts clearly laid out before them.
- Facility and Infrastructure Issues. There is usually concern about where to locate administrative offices and programs after a resource sharing or consolidation agreement is entered into. Although not trivial, these are also issue that can be adequately addressed through careful planning and transparency.

In conclusion, local health departments are a vital part of our health system that are facing increased pressures to do more with less, especially when it comes to the growing need for chronic disease prevention. We believe that there are ways to strengthen departments through resource sharing and consolidation that they are currently exploring and will continue to explore. The Local Government Innovation Fund is an important catalytic resource that local health departments are using to find innovative ways to save money and improve service delivery. An excellent example is occurring in Portage County where I've been working with three health departments – Kent City, Ravenna City, and Portage County – that received an LGIF grant and are putting it to good use.

Mr. Chairman and Members of the subcommittee, thank you for this opportunity to brief you on The Center for Community Solutions' recent work. Before my colleagues tell you about their analysis of two other public systems, I am happy to answer any questions you may have.

Child Welfare System

Good morning Chairman Burke, Vice Chair Jones, Ranking Member Cafaro and members of the Senate Finance Medicaid Subcommittee. My name is Tara Dolansky. I am a Policy Associate on the Public Policy Team at the Center for Community Solutions based in our Columbus office. I was the principal author of the recently released report entitled *Child Welfare System: Opportunities to Improve Coordination and Consistency in a Complex System*.

Children's services in Ohio are regulated by the state and administered by the county public children services agencies or PCSAs. The agencies provide services for the welfare of children who are abused, neglected or otherwise lack adequate parental support. In cases where the safety of the child is at risk, the PCSA may take custody and place the child in foster care for either the short or long term. In state fiscal year 2011, \$850 million was spent on children's services in Ohio. State spending comprises \$85 million or 10 percent of the total. Federal and local funding make up roughly equal parts, with federal funding making up \$389 million (46 percent) and local funding making up \$376 million (44 percent). Local funding is made up primarily of funds from county levies, and by general funds in counties without levies. This dynamic is financially challenging for the 43 counties in Ohio that do not have dedicated children's services levies.

There is considerable diversity in the structure, financing, and operations among the counties, which presents both opportunities and challenges for increasing efficiency in the system.

Opportunities to increase efficiency include:

- Cross-county collaboration. Current collaboration methods ranging from multi-county agency mergers to joining together to negotiate rates could increase efficiency and uniformity. Examples of current efforts can be used as a starting point for other counties across the state.
- Structural efficiencies. Many public children's services agencies are combined with the county department of job and family services. This combined agency structure currently exists in 60 counties and has the capacity to promote savings through shared back office functions, and possibly to enhance service coordination for low-income families.
- Standard tools. Developing a common statewide screening tool for determining levels of care for children in custody would assist in equalizing rates paid by counties for services and ensure that children are screened into consistent levels of care around the state.

Challenges to be overcome include:

- Organizational structure. The multiple organizational forms for managing children's protective services in Ohio, which include single agencies, combined agencies, and other stand-alone county agencies, present a key challenge in moving toward shared and streamlined services.
- Funding disparity. Some counties have significant local funding and others do not. On the basis of per-child in the county, spending across the state ranges from \$41.55 to \$731.74 per child. This disparity can complicate efforts for cross-county collaboration. State support for child welfare services is minimal compared to local and federal sources, and is not sufficient to address disparities between levy and non-levy funded counties.
- Absence of commonly applied protocols. Statewide administrative standards do not currently exist for processing levels of care, contracting for services, determining how much to pay for services, or collaborating in achieving any of these.

In conclusion, PCSAs provide important services that keep children safe, but the absence of commonly applied protocols – for processing levels of care, contracting for services, determining how much to pay for services, or collaborating in achieving any of these – suggests an absence of a systemic approach to managing the over \$850 million spent each year to protect vulnerable Ohio children. Further, in the absence of consistent standards, it is currently impossible to evaluate which improvements would yield the greatest return on current and future spending.

Mr. Chairman and Members of the subcommittee, thank you for this opportunity to brief you on The Center for Community Solutions' recent report, *Child Welfare System: Opportunities to Improve Coordination and Consistency in a Complex System*. I am happy to answer any questions you may have.

Adult Protective Services

Good morning, Chair Burke, Ranking Member Cafaro, and members of the Senate Medicaid Finance Subcommittee. My name is Lori Sommerfelt. I am a Policy and Program Assistant on the Research Team at the Center for Community Solutions. I am the principal author of the report entitled *Adult Protective Services: Opportunities for Savings through Economies of Scale*. I am here today to share some highlights of this report with you.

Adult Protective Services (APS) is the entity in Ohio charged with protecting vulnerable adults living in the community. In the 2011-2012 biennium, APS workers investigated over 15,000 allegations of elder abuse, neglect, and financial exploitation.

Funding for the APS program comes from a variety of sources. In recent years, there has been a \$366,000 line-item within the General Revenue Fund for APS; however, the largest funding source for APS in Ohio is the Social Services Block Grant program through Title XX of the Social Security Act. Our analysis found that over \$14 million of Title XX funds were spent on APS

investigations and programming in FFY2012, equaling nearly one-quarter of the state's total Title XX allocation. Local funds such as levies are also used for APS in some counties. A lack of standardized information about funding sources for APS within Ohio prevents us from knowing exactly how much money is being spent on the program.

The APS funding structure is only one example of the vast county-to-county differences within the APS program. Differences in the processes for investigating cases, staffing, the amount of services available for victims, and definitions of the APS program's role all add up to a lack of a unified system for addressing the problems of elder abuse and neglect. This lack of a system means that a many options for increasing efficiency within this program exist. These options include, but are not limited to:

- Regional collaboration. Shifting to a regional, rather than a county-by-county APS system would allow for the achievement of economies of scale and could potentially result in some cost savings, as detailed within the report.
- Strengthening the system at the state level. House Bill 49, sponsored by Reps. Dovilla and Retherford, has been introduced in the House. This legislation, based on recommendations from the Attorney General's Elder Abuse Commission, seeks to increase responsibility and leadership at the state level, improve and standardize reporting, and clarify the role(s) that APS is to perform within each county.
- Shifting the program from ODJFS to ODA. Moving the program to a department specifically focused on the needs of Ohio's seniors would allow for an integrated, "continuum of care" model of attending to the needs of seniors in our communities and thus reduce the fragmentation in the senior services system. This configuration would also allow for regional collaboration due to the ODA's oversight of Ohio's 12 Area Agency on Aging regions.

These opportunities for improved efficiency are severely hindered by the lack of a strong system of collecting and monitoring financial, service delivery, and service quality data. This makes estimating current or potential future costs incredibly difficult.

In conclusion, Ohio's APS program provides much-needed services to vulnerable adults within our communities. Unfortunately, the existing program is fragmented and unsystematic, but there are many opportunities available to standardize the program and increase efficiency.

Mr. Chairman and Members of the committee, thank you for this opportunity to brief you on The Center for Community Solutions' recent report, *Adult Protective Services: Opportunities for Savings through Economies of Scale*. I am happy to answer any questions you may have.