MDHHS Report on the Status of Merger

(FY2017 Appropriation Bill - Public Act 268 of 2016)

March 30, 2017

Sec. 233. By March 31 and September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and state budget office on the status of the merger, executed according to Executive Order No. 2015-4, of the department of community health and the department of human services to create the department of health and human services. The report must indicate changes from the prior report and shall include, but not be limited to, all of the following information:

(a) The impact on client service delivery or access to services, including the restructuring or consolidation of services.

(b) Any cost increases or reductions that resulted from rent or building occupancy changes.

(c) Facilities in use, including any office closures or consolidations, or new office locations, including hoteling stations.

(d) Current status of FTE positions, including the number of FTE positions that were eliminated or added due to duplication of efforts.

(e) Any other efficiencies, costs, or savings associated with the merger.

MDHHS

Michigan Department of Health & Human Services

RICK SNYDER, GOVERNOR
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Merger Status – Report

The Michigan Department of Health and Human Services (MDHHS) was created by Executive Order 2015-4 effective April 10, 2015. The reason for the merger of the former departments of Community Health and Human Services was to more effectively and efficiently assure the protection and strengthening of Michigan's families by aligning family and health-related services and administrative functions in state government.

Impact on Client Service Delivery and Access to Services

In the past, the Departments of Community Health and Human Services managed hundreds of unique programs that customers interacted with in a multitude of ways. Through the merger, MDHHS is examining every program to determine how we can deliver services that better achieve positive health and self-sufficiency outcomes for our customers. The combined MDHHS is charged with reforming how we interface with our customers through service delivery and technology innovation which better focuses on customers' needs.

Integrated Service Delivery

The Integrated Service Delivery Program Vision is to foster person-centered, holistic relationships with Michigan citizens that efficiently provide targeted programs and services to empower customers in reaching their self-sufficiency goals.

Current ISD Focus

- Integrated Service Delivery Portal- An online experience guiding residents through a process which assesses needs, connects supports, and develops goals to improve stability.
- Universal Caseload Management- A casework system which assigns tasks to staff members working on a specific part of the casework process, allowing casework to be shared and improving efficiency.
- Contact Center- A streamlined customer contact point which better manages incoming phone calls and other contact types, in addition to offering more self-service options.
- Supporting Services- A multitude of system and information integration strategies including both technological infrastructure and data sharing arrangements which support the three main components of ISD (above).

What's next for ISD

- MDHHS is currently in the process of designing and developing the technological systems, business processes, program policies and readiness supports needed to move forward with practical tests of each new ISD component.
- ISD Portal Pilot- MDHHS is on track to complete initial ISD portal development in August 2017, followed by a pilot with customers and community partners in one county beginning in September 2017.

- Universal Caseload and Contact Center Pilot- MDHHS is also working to implement universal caseload and contact center components in December 2017, followed by a pilot in two counties beginning in January 2018.
- Post-Pilot- MDHHS intends to use both pilot experiences to refine ISD strategies and systems before transitioning into a phased statewide rollout of all three ISD components during 2018.

Pilot Assistance Program Application

The Department of Health and Human Services is working on building a pilot assistance program application that reflects client's needs and provides some caseworker relief. Currently Michigan has the longest public-assistance application in the nation -- more than 18,000 words and over a thousand questions.

In January the department introduced a shorter form at its Hamtramck and Eaton County field offices. In the revised form redundant questions have been eliminated, clearer instructions are provided and it has been trimmed down from 42 pages to 18. The plan is to further improve the form with lessons learned during the pilot phase and roll it out statewide at the start of 2018.

Cross-Agency Collaboration

Collaboration across Health and Human Services has been a major benefit of the major. Some concrete examples of this collaboration in this reporting period include:

- **Improved parenting skills training for children in foster care to enable reunification**
    - Child welfare policy office continues to work with the Division of Mental Health Services to Children and Families to expand a pilot program, Parenting Through Change – Reunification, to parents of children who are in foster care with serious emotional disturbance in order to achieve reunification by teaching evidence-based parenting techniques. In February 2017, the PTC-R program was expanded from eight counties to twelve. Results have been very positive and groups continue to run in each community which requires a close partnership between Community Mental Health and Local Child Welfare staff.

- **Increased support to children with serious emotional disturbance in a community setting rather than a psychiatric hospital**
    - The Michigan Department of Health and Human Services continues to participate in the Children with Serious Emotional Disturbance Waiver (SEDW). The Behavioral Health and Developmental Disabilities Administration (BHDDA) has submitted an 1115 waiver to the Centers for Medicare and Medicaid Services (CMS). This waiver will combine the current 1915 b managed care waiver for behavioral health and the 1915 c waivers, including the SEDW. If CMS approves the 1115 waiver, the SEDW

will expand from 37 counties and 25 Community Mental Health Services Programs to statewide availability. The 1115 Waiver application is currently pending with CMS.

- As a result of bringing the Division of Mental Health Services to Children and Families within CSA, mental health expertise has continued to be more readily available to child welfare staff when making policy, program, and contractual decisions across the child welfare service continuum. Further, when specific cases present with challenges related to accessing local mental health services, state-level expertise is readily available to troubleshoot and coordinate local community mental health involvement, when necessary, and can be accessed to assist with addressing systemic issues.

- **Response to Opioid Epidemic**

  - MDHHS as a merged entity has been able to work in a coordinated fashion in response to the opioid epidemic with other Departments and Agencies (Michigan State Police, Licensing and Regulatory Affairs, Health Departments, Poison Control), with an integration of programming across Behavioral Health, Human Services, Medicaid, and Injury programs) with multiple stakeholders (Non- Governmental Organizations, courts, local agencies, etc.). This includes a recent implementation of Naloxone legislation across schools and pharmacies across the state by Michigan Department of Education, Licensing and Regulatory Affairs, Health Plans, Michigan Board of Pharmacy, and MDHHS.

Office Relocations and Consolidations

The department continues to monitor its lease portfolio to maximize efficiencies through consolidation and co-location with community partners and other MDHHS offices. We continue to review lease agreements and space needs for multiple county offices to consider these opportunities. The department is moving forward with several consolidation efforts for our central office locations, therefore, reducing the cost. For example the Grand Tower is currently in the process of being restacked in order to free up space for Environmental Health to move in.

Current Status of FTE Positions

Pre-Merger FTE Count (pay period ending March 28, 2015)

Department of Community Health:	3,136
Department of Human Services:	10,874
Combined Total:	14,010

MDHHS Post-Merger FTE Count (pay period ending March 11, 2017)

Department of Health and Human Services 14,105.5

Difference from Pre-Merger FTE Count: 95.5

Some positions in the department were created and some were eliminated as part of the merged agency to streamline services and support the Integrated Service Delivery initiative. MDHHS is integrating and implementing a massive amount of merger-related administrative processes and policies, in addition to planning for and beginning to implement a major change in the department's service delivery model, all with existing staff resources.

Other Efficiencies, Costs, or Savings Associated with the Merger

New short-term costs may include additional work from information technology (IT) contractors to implement the systems that support the Integrated Service Delivery initiative, and from one-time office moving costs.

Examples of potential savings in the long run may include:

- Reduced inpatient hospitalization stays;
- Reduced foster care days of care as the focus on prevention increases;
- Rent or lease cost reductions;
- Information technology and project cost savings resulting from leveraging resources, avoiding duplication of effort, and leveraging of fund sources.

Overall it is too soon to report specific costs or savings associated with the merger. Much of the move towards Integrated Service Delivery and other service delivery-related efficiencies is still in the planning stages.