



*Delaware Health and Social Services*

## **Fiscal Year 2018 JFC Hearing**

***Legislative Hall***

***Joint Finance Committee Hearing Room***

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***Tuesday, February 7, 2017***

***Dr. Kara Walker  
Cabinet Secretary***

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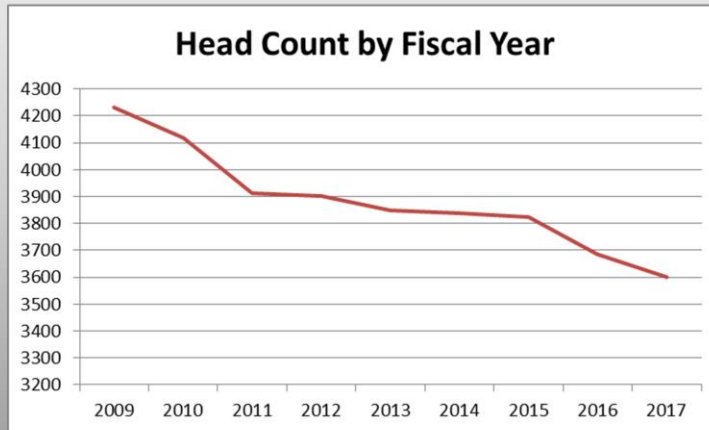
Good morning, Representative Smith, Senator McDowell and other members of the Joint Finance Committee (JFC). My name is Kara Odom Walker and as of yesterday morning, I am the new Secretary for the Department of Health and Social Services (DHSS). As a physician and a native Delawarean, I am so proud to be here today representing the dedicated public servants who work for our Department, as well as the many Delawareans that rely on us for direct services and support.



The mission of our Department is to promote health and well-being, foster self-sufficiency and protect vulnerable populations. In fulfilling that mission, each year we serve the people of Delaware through providing financial education to help people lift themselves out of poverty; connecting those struggling with addiction to vital treatment; protecting long-term care residents; helping Delawareans stay healthy and productive; supporting aging Delawareans; partnering with individuals with disabilities, so they can lead healthy, safe and fulfilling lives; supporting families in transition; and providing critical safety-net benefits in partnership with the federal government to Delawareans most in need.



## In Service to the People



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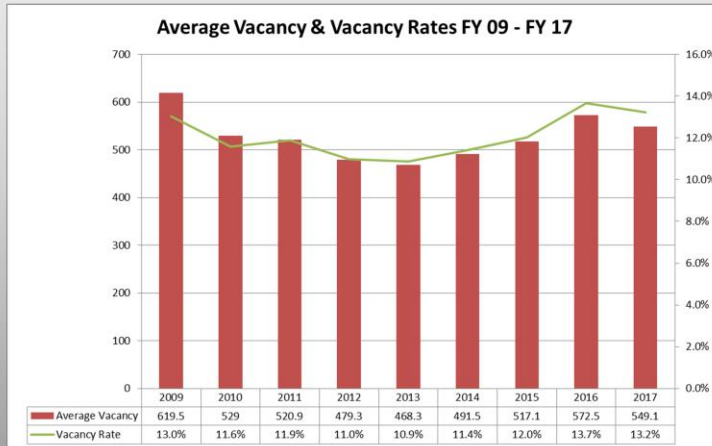
While we are at the beginning of the new administration, I want to look back briefly to the previous one. During the 2008 financial collapse and its aftermath, we saw a record number of Delawareans become financially insecure. That reality translated into high demand for the services and benefit programs within our department. However, during that same time we went from 4,200 employees working for the Department on July 1, 2008, to just over 3,600 employees today.

We accomplished these strategic reductions in staff, while not harming the quality of our service delivery, through the commendable efforts and dedication of our staff, as well as a strong partnership with then-Governor Markell, the Office of Management and Budget, and the JFC.

While the economies in the state and nation are undoubtedly better and we have seen demand for services stabilize, we still see a large number of our fellow citizens in need and eligible for assistance from our Department. This is the dynamic currently in play with Medicaid. We do not see our enrollment numbers increasing dramatically as in recent years, but we still see a large number of people who are qualifying for services--223,000 people to be exact. Of that number, only 11,000 are adults between 101 percent and 138 percent of the federal poverty level, which is the newly expanded population created by the Affordable Care Act.



## In Service to the People



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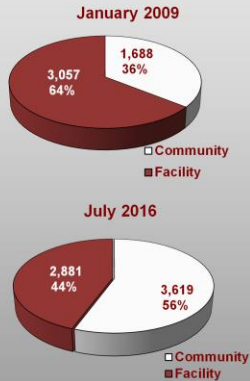
To continue focusing headcount, I'd like to look at the vacancy rate within the department. From Fiscal Year (FY) 09 to January 2017, we have reduced our number of vacant positions from 620 to 549.



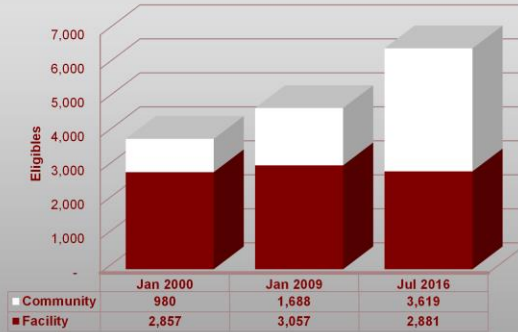
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# Focus on Community

Increase in Medicaid-Eligible Delawareans Receiving Home and Community-Based Care



Individuals Receiving Medicaid Long-Term Services and Supports



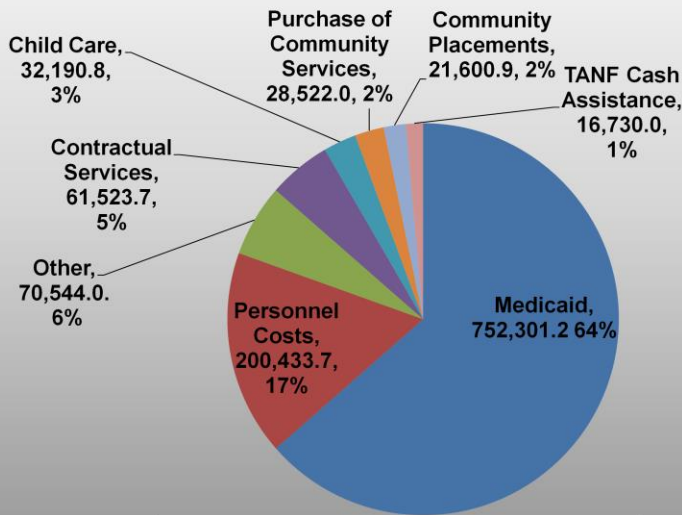
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In addition to strategic personnel changes, we have also undertaken Department-wide initiatives such as the centralization and reorganization of information technology, and have made great strides in transforming the way the state delivers health care services, so we may improve outcomes and reduce costs. Within Medicaid, we moved to a managed care model for long-term services and supports, which allowed for improvement in health outcomes and helped to bend the cost curve. Before the managed care model was implemented, this population frequently utilized costly services within health care facilities. More of these Delawareans now are able to remain in the community to receive their care and continue to be engaged members of society.



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## DHSS FY 17 GF BUDGET DISTRIBUTION



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Now, I would like to turn to the budget line for Contractual Services. As you have seen via the base budget document, the \$61 million budgeted in FY 17 provides for a range of supports, with almost half of that total allotted to the Division of Substance Abuse and Mental Health (\$29 million) for such services in the community as mental health and addiction treatment, and \$10.6 million to the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD) for such community-based services as attendant care, respite care, and home-delivered meals. Across the Department, let me share some additional uses. The Division of Developmental Disabilities Services uses contracts with providers to undertake health services for residents of long-term care facilities; the Division of Child Support Services uses contracting for community outreach to increase paternity establishment, a mandated activity from the federal government that affects Temporary Assistance for Needy Family (TANF) dollars; and the Division of Medicaid and Medical Assistance (DMMA) uses contracting to do claims processing, provider enrollment, member support and program integrity.



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## **Process Improvement Through Technology**

### **Division of Medicaid and Medical Assistance**

#### **Delaware Health Information Network (DHIN) Partnership**

- Created a system of event notifications to Medicaid MCOs when their members are seen in the emergency room of a DE hospital. This notification enables early intervention and appropriate discharge planning to coordinate care, avoid unnecessary and expensive readmissions, and reduce the costs associated with a single episode of care.

#### **The Delaware Medicaid Enterprise System (DMES)**

- This is the primary system that DHSS uses to manage fee for service claims and the administration of client enrollment for managed care organizations. The system also complies with federal information technology standards and conditions that allow for continued enhanced federal funding.

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Turning to technology services, our general fund appropriation supports the ongoing maintenance and operations for our new information technology (IT) systems deployed by DHSS. These new systems utilized by the Division of Social Services and the Division of Medicaid & Medical Assistance were both undertaken to ensure compliance with federal programs.

Lastly, I'd like to focus on process improvement. As a department we wholly embrace the philosophy of continuous improvement, and I'd like to highlight some bright spots in this area for you all:

- **DMMA** now partners with the Delaware Health Information Network (DHIN) to implement a system of event notifications to Medicaid Managed Care Organizations when their members are seen in the emergency department of a Delaware hospital. This notification enables early intervention and appropriate discharge planning to coordinate care, avoid unnecessary and expensive readmissions, and reduce the costs associated with a single episode of care.
- This year the **DMMA** implemented the Delaware Medicaid Enterprise System (DMES). This is the primary system that DHSS uses to manage fee for service claims and the administration of client enrollment for managed care organizations. The new system provides many improvements, including: streamlined provider enrollment, on-line claim submission, a member portal, administrative dashboards, workflow management, and improved financial management processes. The system also complies with federal information technology standards and conditions that allow for continued enhanced federal funding.



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## **Process Improvement Through Technology**

### **Division of Public Health**

**The Division of Public Health** developed the Constituent Inquiry Tracking Application (CITA) for Health Systems Protection, the main regulatory arm of the Division. This system will be used as a performance measurement tool to measure the timed response in addressing constituent inquiries and ensure that inquiries are being addressed and closed promptly.

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## **Process Improvement Through Technology**

### **Division of Services for Aging and Adults with Physical Disabilities (DSAAPD)**

In 2016, **DSAAPD** successfully launched a new data system to support its information & assistance and case management functions. The software improves DSAAPD's capacity to track information about service participants; monitor resource utilization; and complete program reports. Importantly, the new data system enables staff to complete assessments during home visits using mobile devices. Historically, staff members performed the data entry after returning to the office which increased the amount of time needed to complete an assessment.

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*Alone we can  
do so little;  
together we  
can do so  
much.  
– Helen Keller*



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In closing, again, I thank you for the opportunity to be here today. As a Department, we are very aware of the budget challenges affecting our state. We also appreciate the substantial investment that Delaware taxpayers make in our department, and believe that we must not only provide exceptional support and services to our clients, but we must also take the trust and responsibility of Delaware taxpayers place in us seriously.

We look forward to working with the Governor, our fellow cabinet agencies, as well as the JFC and General Assembly, to undertake the budget reset the Governor has discussed. Due to the complexity of our department, we believe the reset process, which will take a comprehensive and thorough look at the department is a great way to move forward in finding additional savings.