



Ombudsman Investigation
Division of Public Assistance
Department of Health & Social Services

Public Report
J2018-0001

May 7, 2018

Final Public Report
Ombudsman Investigation – Division of Public Assistance, DHSS
J2018-0001
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Introduction

The Alaska State Ombudsman, J. Kate Burkhart, initiated a **systemic investigation** of recurring complaints about the Department of Health and Social Services Division of Public Assistance in January 2018, pursuant to AS 24.55.120. Since January 2016, the Alaska State Ombudsman has received a steady flow of complaints about delays in processing applications for and payment of public assistance benefits, as well as complaints about the lack of a meaningful way to contact or receive a response from the Division of Public Assistance (DPA) about the status of applications. Ombudsman investigators worked with DPA staff on a case-by-case basis to resolve individual complaints. They also consistently referred people struggling to contact DPA staff about their public assistance benefits to the emergency hotlines and regional supervisors. However, review of complaint data with DPA leadership in January 2018 showed no decrease in the number of complaints about processing delays or the inability of Alaskans to connect with DPA about their applications or benefits.

The Ombudsman met with DPA Director Monica Windom and Jon Sherwood, Deputy Commissioner of the Department of Health and Social Services, on January 17, 2018 to discuss the complaint data and recurring issues related to DPA services. The Ombudsman provided notice of her intent to initiate a **systemic investigation** of recurring complaints about DPA. During that meeting, it was agreed that DPA and the Ombudsman would partner to identify solutions to the identified problems.

The Ombudsman and Director Windom identified members of the investigative team to work together to define the scope of the investigation and participate in the investigation. The first team meeting, which included the business process redesign (BPR) consultant Change and Innovation Agency (C!A), was held January 29, 2018. During that meeting, the group identified three (3) paramount issues to address:

1. the backlog in processing applications for, and recertifications of eligibility for, most DPA programs;
2. the lack of capacity to respond to communications from DPA recipients, care providers, and the public; and
3. how applications/recertifications for long-term care benefits are handled.

The Ombudsman engaged in an extensive consultation, as required by AS 24.55.180, with Director Windom and her leadership team on March 9, 2018 prior to issuing the Preliminary Report. DPA provided a written response to the Preliminary Report on April 17, 2018. A **confidential** Final Report of the Ombudsman's investigation, findings, and recommendations was provided to DPA pursuant to AS 24.55.190.

Summary of Complaints about DPA

In 2016-2017, the Ombudsman received more than 400 complaints about DPA. Most complainants sought help communicating with DPA about their benefits. The second most frequent complaint was related to determining the status of an application for, or recertification of eligibility for, Medicaid and Food Stamps (SNAP). Delayed payment of benefits was the third most frequent complaint. (*See Table 1.*)

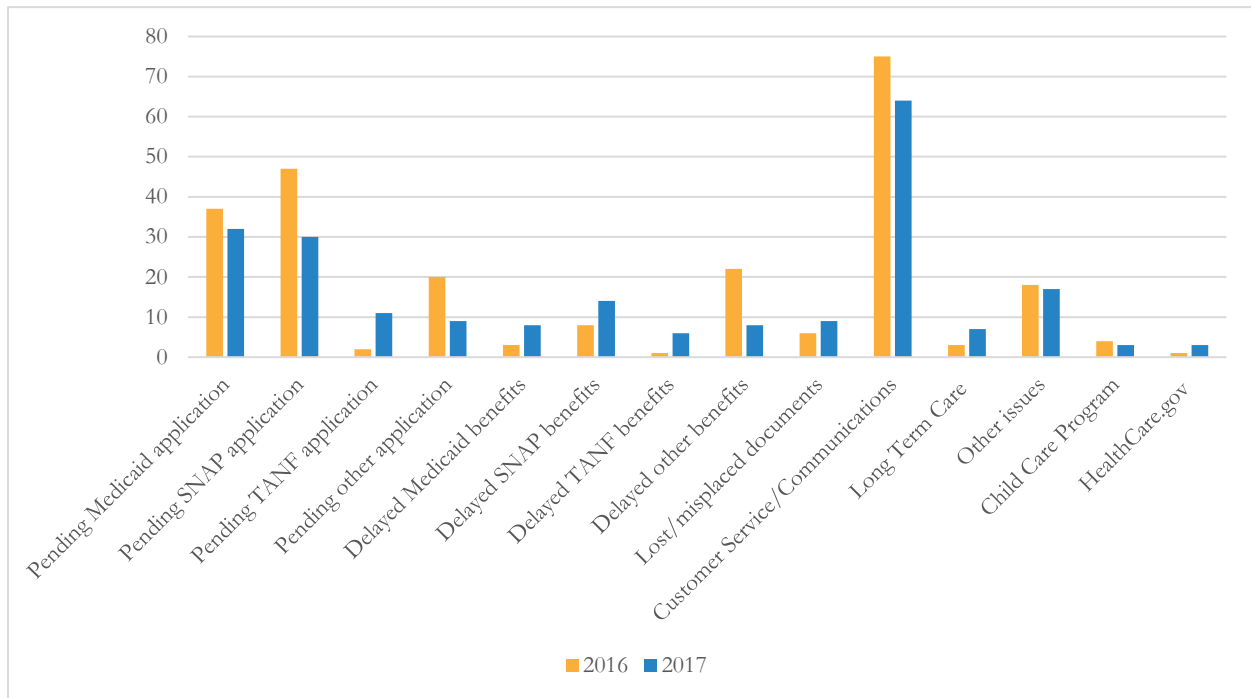
In 2016-2017, ombudsman investigators resolved complaints that were not referred to the hotlines one-by-one, directly with DPA staff. Examples of complaints resolved with ombudsman investigators' assistance illustrate the systemic nature of the problems:

- Complainant from Haines encountered five unique problems between February 2016 and January 2017 involving payment and recertification of eligibility for SNAP benefits. Each one was resolved by DPA after contact from an ombudsman investigator.
- Complainant applied for Denali KidCare (DKC) for his four children. After more than 60 days, three of the four children were approved for DKC. No reason was given for the fourth child not being approved. Investigation found that the fourth child was eligible, and benefits were provided after ombudsman staff contacted DPA.

- After waiting several months for an eligibility determination, Complainant was told by DPA staff that his application for his children’s Denali KidCare had been lost and he would have to resubmit it. At ombudsman staff’s request, a supervisor searched for and found the original application and initiated an eligibility review.
- Complainant applied for Medicaid through the federally facilitated marketplace (FFM – HealthCare.gov) in January 2017. DPA processed his application in December 2017 after an ombudsman investigator contacted the agency to resolve the problem.
- Multiple Complainants in 2016-2017 reported that Interim Assistance (IA) applications were not being timely processed. Investigation found that lack of staffing prevented timely review of IA applications.
- The guardian for an adult experiencing disabilities (who resided in an out-of-state long-term care facility) contacted the Ombudsman after multiple attempts to communicate with the Long-Term Care (LTC) Unit — in writing and by phone — went unanswered for four months. The guardian indicated that the cost of care calculation by DPA for the ward was incorrect, and that he wanted the agency to update the ward’s cost of care allocation. After ombudsman staff contacted DPA, the LTC worker assigned to the ward’s case adjusted the cost of care allocation and credited the ward for the four months he had overpaid for his care due to an incorrect cost share calculation.
- A care coordinator contacted the Ombudsman and complained that DPA staff failed to process an eligibility review form for her client and failed to respond to multiple inquiries. As a result, the client’s assisted living home had not been paid and the client was unable to receive critical medical supplies. Ombudsman staff confirmed that DPA staff had not responded to the care coordinator’s multiple contacts, until the division was contacted by the Ombudsman. After ombudsman inquiry, the agency determined that there was a computer “glitch” in the processing of payment by a separate DHSS division, Health Care Services, which resulted in the assisted living home’s claim being rejected. The claim was resubmitted based on both agencies’ suggestions, the client’s eligibility review was completed, and the assisted living home’s claims were paid.
- Complainant, a care coordinator for a person experiencing disabilities, provided an eligibility review form for the client in early October 2017. DPA failed to respond until November, when notice was provided that the form had not been received. Complainant

followed-up twice in December trying to learn the status of the case, but no one from DPA responded. An ombudsman investigator contacted DPA staff, who reported that they did not receive the first submission of the form (in October) but did receive the second submission (in November). The case had been reauthorized within 4 days of receipt in November, and DPA confirmed there had been no break in benefits.

Table 1
2016-2017 Complaints by Category (duplicated count)



Source: Alaska State Ombudsman Case Management System

Based on consultation with Director Windom and DPA staff in 2016, ombudsman staff triaged complaints and consistently referred complainants who were pregnant, experiencing a medical emergency, or at risk of hunger (food insecurity) to the hotlines provided by DPA. The complainants were routinely advised to call the Office of the Ombudsman back if they were not able to resolve their problem through the hotline. Less than 1% of complainants referred to the hotlines called back dissatisfied.

Allegations

Based on the aggregate complaint data for 2016-2017, and the information provided by DPA leadership, the Ombudsman investigated allegations related to the backlog in processing benefits cases, lack of communication with the public, and the LTC Unit:

Contrary to Law:¹ The Division of Public Assistance does not meet mandated timelines for processing applications and recertifications for program benefits as required by state and federal law.

Unreasonable:² The Division of Public Assistance does not consistently respond to telephone calls, emails, or other forms of communication from the public.

Performed Inefficiently:³ The Division of Public Assistance's processing model for managing clients' long-term care cases is inefficient and ineffective.

Ombudsman investigators worked closely with DPA leadership, their BPR consultant, the Long-Term Care Ombudsman, Office of Public Advocacy, and other interested stakeholders to understand the scope of the problems giving rise to the allegations, the strategies already implemented by DPA to mitigate the problems, and ways that DPA and its stakeholders can work together to resolve the issues. Based on the information, evidence, and outcomes of complaints about DPA investigated since 2016, the Ombudsman found all three allegations **justified**. DPA raised no objection to these findings in its Response.

¹ In an ombudsman investigation, "contrary to law" means that the agency: did not comply with statutory or regulatory requirements; misinterpreted or misapplied a statute, regulation or comparable requirement; failed to follow common law doctrines; or failed to comply with court or administrative orders.

² In an ombudsman investigation, "unreasonable" means that the agency: adopted and followed a procedure in managing a program that is inconsistent with, or fails to achieve, the purposes of the program; adopted and followed a procedure that defeats the complainant's valid application for a right or program benefit; or placed the complainant at a disadvantage relative to all others through actions inconsistent with agency policy.

³ In an ombudsman investigation, "performed inefficiently" means the agency: exceeded a time limit established by law or by custom, good judgment, sound administrative practice, or decent regard for the rights or interests of the complainant or of the general public; or mishandled the decision-making process or the process of implementing an act or service through delay, "red tape," or by requiring an unreasonable and unnecessary amount of clarification from the complainant.

Daily Work Process – Eligibility Technicians and Office Assistants

Ombudsman investigators reviewed the Business Process Redesign Recommendations made by C!A to DPA in February 2016 and the DPA Process Management Guide (v. 5.1 November 2017) developed to describe the day-to-day processes implemented by DPA field staff. Two assistant ombudsmen shadowed DPA staff at three locations over a three-day period in February 2018 to gain a better understanding of the agency’s work-flow processes. The following description of DPA field staff’s work is based on these observations and resources.

Management Review and Work Flow Management

Within the PathOS system, DPA’s work is sorted into “tracks” depending on the type of application for benefits that is involved. Management tries to keep Eligibility Technicians (ETs) on the same track for a week at a time. Depending on the staffing levels or the workload, it may be necessary to pull staff from one track to another as the work demands. The LTC Unit does not use PathOS to track its workload. The supervising ET divides the work load by reviewing each task and manually sorting it into sub-folders in the shared network (Z-Drive) by type of work. She then assigns ETs to work a specific sub-folder, similar to how managers in other offices assign workers to tracks.

After management finalizes the staffing plan for the day, they meet with the ETs to review that day’s assignments. Throughout the day, the work-flow monitors (WFMs) watch PathOS to see how the work is piling up in each track. If it appears that one track is getting overloaded, the WFM will pull ETs from their assigned track to help clear the bottleneck.

Eligibility Technicians

DPA administers multiple programs that provide public assistance benefits, including:

- Adult Public Assistance,
- Chronic and Acute Medical Assistance,
- Denali KidCare,
- Food Stamps,
- General Relief Assistance,
- Medicaid,
- Senior Benefits, and
- Temporary Assistance.

Child Care Assistance, Family Nutrition, and Heating Assistance programs are all managed outside of the DPA field offices and are not affected by the backlog. These programs were not included in the limited scope of this investigation.

Each benefit program is distinct and has its own eligibility requirements, some of which are based on federal requirements and can be quite complex. ETs are trained on the requirements of all these programs and are expected to be able to make accurate eligibility determinations for each program. They must be able to explain eligibility determinations to clients in easily understandable terms. ETs are the people who implement the public assistance program.

ETs must be proficient in the requirements for each program they implement, and all the computer systems used by DPA. There are four active systems plus various interfaces:

- PathOS – the work-flow system to queue individual tasks;
- ARIES – the system for MAGI Medicaid cases;
- EIS – DPA’s legacy system for all other benefits programs;
- Z-drive – DPA’s shared drive that houses any documentation submitted by the client; and
- Various interfaces (PFD, CSSD, Department of Labor, etc.) – used by ETs to gather collateral information to make eligibility decisions.

Under DPA’s business process redesign, ETs are expected to work each program that the client receives benefits from, regardless of the task that they pull from PathOS. For example, if an ET pulls a task from PathOS to process a new application for Food Stamps but the client also has an existing Medicaid case, the ET is expected to work both cases when processing the Food Stamps application.

ETs are expected to make a final eligibility determination on a case they are working whenever possible. This includes taking proactive steps, like contacting a client’s employer to verify their hours and wages or employment quit date, or checking different databases for the information, rather than pending a case and requiring the client to provide the information. Ombudsman staff observed ETs in all offices making diligent efforts to track down needed information through the Division of Personnel and Labor Relations, the Department of Labor, Experian, and other resources.

It was not uncommon for an ET to have between 10-15 computer tabs open to access frequently used programs, systems, and program manuals. Some systems require a unique log-in when the ET needs to research information concerning the client. ETs are expected to frequently monitor

their e-mail in case the WFM has assigned them to work a different track based on the changing needs of the office. ETs must also watch for Random Moment Time Study (RMS) emails, which ask the ETs what kind of work they are currently doing. The RMS is required by the federal programs that DPA administers. How ETs answer the RMS emails drives the amount of federal funds DPA can claim for each program.

Depending on the track assigned, ETs may be processing new applications, pulling clients from the lobby for interviews, or processing pended applications. They pull tasks (or cases) from the track they are assigned in PathOS. For lobby work, the ET checks the PathOS system for the next case to pull from their assigned track. They print an information page and then they walk out to the lobby to call for the client, who walks with the ET back to their workstation. Depending on the office, some ETs must walk from their workstation on the second floor to the first-floor lobby, walk outside to reach the lobby in a different building, or walk through a maze of cubicles and filing cabinets. When the ETs finish helping the client, they pull their next task from PathOS, escort the client back to the lobby, and call the next client from the lobby.

In the LTC Unit, ETs work with staff in assisted living care facilities, or with care coordinators or family members who are authorized to provide information on behalf of the client. The ETs observed were able to locate the necessary documentation, but even after much effort, that is not always the case. While this may be more convenient for clients who fail to provide the documentation necessary to process their case, it shifts the burden to ET staff to locate and verify essential information.

Each case an ET works is determined by the facts specific to that family. It is not simply a matter of data entry and allowing the computer system to make an eligibility determination. Depending on the case, an ET may have to manually create a spreadsheet to calculate a client's income to determine whether they qualify for benefits. This can be complex depending on the client's work situation. Determining excludable resources can also be complex, especially if the family is large and has vehicles for subsistence purposes, like snowmachines or boats. In the case of a long-term care client, the ET had to adequately explain the complexity of how to spend down resources to qualify for necessary benefits, as well as how to make sure that the client stays within the resources limitations each month.

All of the DPA staff whom ombudsman staff shadowed appeared to take great pride in their work. They acknowledged the great responsibility that they carry to ensure that the decisions they make are accurate. The ETs shared their concerns that the consequences of making a mistake are grave on either side – if they deny benefits to a family that does qualify, that family will continue to struggle financially, and if they approve benefits erroneously, state funds will be needlessly dissipated.

Office Assistants

None of DPA's work could be possible without the efforts of their Office Assistants (OAs). OAs are responsible for communicating with members of the public who call or visit field offices. OAs schedule interviews for eligibility. They must be able to explain the various DPA programs and the eligibility process and be able to find and explain a person's case status.

OAs receive and process the incredible amount of documentation received at the field offices. Each day, documents arrive by email, fax, and mail. Field offices also have drop boxes for clients to leave documentation. Once a document is received, OAs must:

- date stamp it,
- check the eligibility systems (EIS and ARIES) to see if the client is already in the system,
- enter the client and their family members into the EIS and ARIES systems, if they are new,
- scan the documentation, and
- enter the client in PathOS, which requires a basic level of knowledge about the various benefits programs, so that the OA can enter the client in the correct track of work.

Aside from processing documentation from clients who need their cases to be worked, OAs are also responsible for maintaining and organizing client files. This requires them to pick up any files generated from the cases worked by ET staff. The volume of documents received and created at each office the ombudsman staff visited is so high that there are not enough staff to file all the documents.

OAs are also responsible for pulling files to be archived. Any cases closed for over a year are sent for archiving. At the LTC Unit, there were approximately 400 banker boxes awaiting transport to archives. Filing and archiving appear to be insurmountable and never-ending jobs.

Backlog

Timelines for processing applications for Medicaid and Food Stamp (SNAP) benefits are set by federal regulation. DPA is required, pursuant to 7 CFR 273.2(g), to process a Food Stamp application within 30 days of receipt.⁴ DPA has 45 days to process a Medicaid application, if there is no disability determination required, and 90 days to process a disability Medicaid application (42 CFR 435.912(c)(3)).⁵ Adult Public Assistance (APA) applications must be processed within 30 days, according to 7 AAC 40.070.⁶ The same timeline applies to Interim Assistance (IA).⁷

DPA noted that the SNAP program has a standard for expedited SNAP cases of 7 days. A SNAP case is eligible to be expedited if the applicant household is extremely indigent. DPA also noted that, although the federal timeline for Medicaid applications is 45 days, Alaska “has always followed a 30-day standard to align with other programs.”

Program	Timeline
Medicaid – disability	90 days
Medicaid – no disability	45 days
Food Stamps (SNAP)	30 days
Adult Public Assistance, Interim Assistance	30 days

In her presentation to the House Finance Health and Social Services Subcommittee on February 6, 2018, Director Windom described the increase in DPA’s workload and staff capacity.⁸ Medicaid caseloads have increased 24% since Medicaid Expansion in 2015. Food Stamp (SNAP) caseloads remained steady until July 2017, when they began to increase. Other public assistance program

⁴ “The State agency shall provide eligible households that complete the initial application process an opportunity to participate (as defined in § 274.2(b)) as soon as possible, but no later than 30 calendar days following the date the application was filed . . .” The legal authority for implementing the Supplemental Nutrition Assistance Program (SNAP) is located at PL 110-246 (2008), 7 CFR 271-274 (Federal Authority).

⁵ “. . . the determination of eligibility for any applicant may not exceed (i) Ninety days for applicants who apply for Medicaid on the basis of disability; and (ii) Forty-five days for all other applicants.” 42 CFR 435.912 (c)(3).

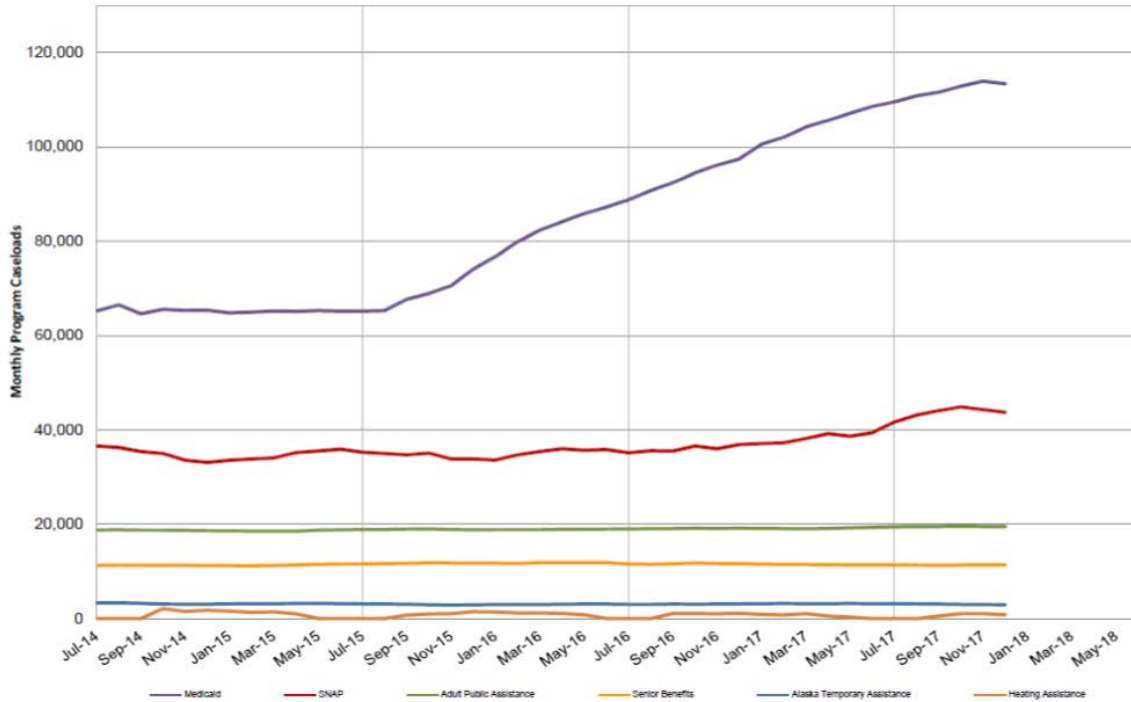
⁶ “(a) Except as provided in (b) of this section, the division will render an eligibility decision on each identifiable application and will mail the applicant a written notice of that decision within 30 days after receipt of the application. In this section, “identifiable application” means an application which contains at least the applicant’s name, mailing address, and signature or witnessed mark. (b) Eligibility for aid to the permanently and totally disabled or aid to the blind will not be denied because the applicant did not have an examination under 7 AAC 40.050 if he was unable to have the examination for reasons beyond his control or because the examiner did not furnish a report to the division. In those circumstances, the division may postpone an eligibility decision for an additional 30 days.” 7 AAC 40.070.

⁷ See 7 AAC 40.375.

⁸ Video recording and documents shared during Director Windom’s presentation to the committee are available online at <http://www.akleg.gov/basis/Meeting/Detail?Meeting=HDHS 2018-02-06 16:00:00#tab4 4e>.

caseloads have remained flat since 2014. (See Table 2.) Director Windom reported that **the average monthly caseload was 107 cases higher** than the next highest year since FY2013.⁹

**Table 2
Caseloads**



Source: DPA Presentation to House Finance HSS Subcommittee, February 6, 2018.

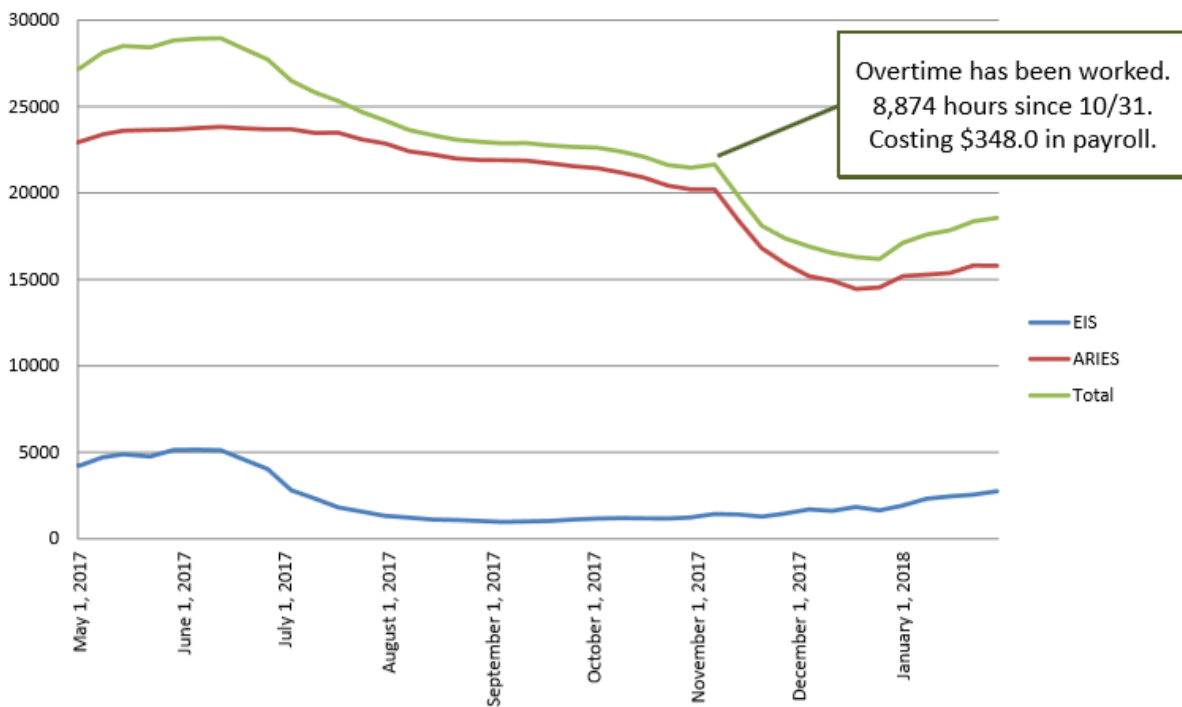
Director Windom also reported on the backlog in processing public assistance cases. While the backlog decreased from a high of nearly 30,000 cases waiting in June 2017 to less than 17,000 in December 2017, the backlog has begun to increase in 2018. (See Table 3.) Director Windom attributed the backlog to steady and prolonged increases in caseloads and the necessity to work cases in two systems (due to the application deficits in ARIES and termination of the relationship with the implementing contractor). Other tasks coming into field offices also contribute to the backlog:

- Reports of changes in address, household members, income, residency, etc.;

⁹ DPA Presentation to House Finance HSS Subcommittee, February 6, 2018; clarified in *DPA Response to Preliminary Report* at 8.

- Requests for penalties for failure to comply with work activity or child support cooperation;
- Anonymous reports of changes to cases or possible fraud;
- Fraud referrals;
- Requests from medical providers to check the status of a Medicaid application;
- Cases that need to be corrected, such as for overpayment or underpayment; and
- Applications from the Department of Corrections for people recently released from custody.

**Table 3
All Backlog**



Source: DPA Presentation to House Finance HSS Subcommittee, February 6, 2018

DPA has had difficulty recruiting and maintaining staff in existing positions, leading to frequent and sometimes prolonged vacancies. The backlog itself contributes to staff attrition, which in turn exacerbates the backlog. Director Windom reported in her February 6, 2018 presentation that 54% of OA positions became vacant in the prior twelve months. As described above in the report, OAs are a crucial part of the workforce at DPA. Director Windom reported that 31% of ET positions had become vacant in the past year, and 20% of filled ET positions are utilizing family medical

leave (resulting in prolonged absences from work). The critical role ETs play in implementing the public assistance program is also described above.

Backlog Reduction Strategies

ETs reach an eligibility determination in one sitting in the majority of the cases they work. According to a PathOS report for December 2017-February 2018, ETs processed a monthly average of 18,012 cases (exclusive of LTC or TEFRA). Of these, 83% of cases were worked through to approval or denial each month. Cases that tend to be pended for more information are complex medical or disability cases, or cases where the household income is complicated (seasonal employment, etc.). Review of the data and the day-to-day work processes indicate that the backlog is not currently attributable to ET inefficiency or inadequate staff management. When the ET “touches” a case, it is worked to completion over 80% of the time. The remaining solution is to “work your way out” of the backlog, which requires additional staff.

DPA is actively working its backlog reduction plan, reviewing and refining it regularly. DPA has deployed strategies, with assistance from a national governmental process improvement consultant, to address the backlog. These backlog reduction strategies address the problem from a variety of angles:

- DPA is only conducting eligibility interviews where mandatory for the program. For those assistance programs that do not mandate an interview, eligibility is determined through a desk review of the person’s information.
- DPA has implemented a “cold call” process to reduce the time people wait from date of application to eligibility determination. When DPA receives an application, an eligibility interview is scheduled, and the person is sent notice. A team of ETs call from the list of people awaiting an interview, offering to conduct the interview right then rather than wait until the scheduled appointment. DPA reports that more than 80% of people called take advantage of the opportunity, finish their interview, and an eligibility determination is made. This speeds the process up for them and opens appointments sooner in time for others.

- DPA is creating a central repository for paper case files, to streamline operations and open space for additional staff in field offices.
- DPA has prioritized recruitment of ETs within the constraints of the current hiring freeze.
- DPA is utilizing temporary workers through job training programs and work/service requirements. These workers assist with filing and other basic clerical tasks.
- DPA is hiring a social services program coordinator to monitor workflow through a statewide program lens, working with the work flow monitors (WFM) and taking some of the load for non-lobby workflow management from the regional/local supervisors.
- DPA is working with 18F, a sub-agency of the US Department of Administration that assists state and federal agencies with resolving technological problems. 18F is providing technical assistance to DPA to procure system fixes using “agile development.”
- DPA is revisiting its extensive training protocols to see if there are ways to equip staff for the complexity of their work more quickly and successfully.
- In April 2016, DPA implemented a backlog team to focus on cases over 30 days old. The team began working on cases from the Mat-Su and Coastal Regional Offices. This team reportedly reduced the backlog for those two regions before being redirected to assist other offices.
- The federal Food and Nutrition Service allows states to extend the certification period for SNAP benefits under some circumstances. In June 2017, DPA notified SNAP recipients that their certification date was extended for six (6) additional months, which resulted in a reduction of 6,000 cases that had to be worked each month. The recertification forms started coming in again in December 2017, leading to an increase in the backlog.

Even with these efforts to address the backlog, DPA does not consistently meet the statutorily mandated timelines for processing applications for Medicaid, Food Stamps, and other public assistance programs. Thus, the Ombudsman found the following allegation **justified**:

Contrary to Law: The Division of Public Assistance does not meet mandated timelines for processing applications and recertifications for program benefits as required by state and federal law.

Communications

Of the 425 complaints to the Ombudsman about DPA in 2016-2017, 33% of complainants reported that their attempts to contact DPA by phone, mail, and/or email were unsuccessful. DPA has acknowledged that they have not had sufficient staff resources to dedicate to answering calls or responding to email. This not only results in frustration for recipients and their care teams seeking to confirm receipt of applications/information or the status of a pending application/recertification, it also contributes to the backlog when people re-apply or resubmit required documents multiple times after going months without receiving any information about their case. Equally problematic, it can also result in the pending or re-pending of a case when the person seeks clarification of a notice or request for additional information.

DPA recognizes that the agency needs to be available and responsive to the public. DPA has dedicated resources to hotlines for people with critical or emergency situations. After an initial attempt to implement a call center failed, DPA established a relationship with the Alaska Department of Labor and Workforce Development, hoping to join in the virtual call center DOLWD is developing. There is no firm timeline for when that virtual call center will go live. In the meantime, DPA is attempting to answer phone calls in the Mat-Su and Northern Regional Offices. Non-permanent positions are expected to come online in 2018 to help expand capacity to answer calls and other communications.

Recognizing that DPA has attempted to address the lack of communications capacity with existing resources, the evidence still shows that there is an unreasonable lack of access to DPA staff to answer questions and provide information about case status. The Ombudsman finds the following allegation **justified**:

Unreasonable: The Division of Public Assistance does not consistently respond to telephone calls, emails, or other forms of communication from the public.

Long-Term Care Unit

DPA described the focus of the Long-Term Care (LTC) Unit as applications for Medicaid from people who are in a nursing home or long-term care facility, applying for one of the Home and Community Based Medicaid Waivers,¹⁰ or TEFRA, the public insurance program for children under 19 years old who experience disabilities involving significant medical, developmental, or psychiatric needs. The Ombudsman received 26 complaints related to the LTC Unit between October 1, 2017 and April 15, 2018. Ombudsman staff resolved (or are in the process of investigating) these individual complaints with DPA staff. Issues with document management, delays in processing, and lack of communication were documented in many of these complaints.

Interviews with LTC Unit staff indicated that LTC cases do not lend themselves to the LEAN model that DPA has adopted. The Ombudsman interviewed nursing home and assisted living home providers, meeting twice with members of the Alaska State Hospital and Nursing Home Association (ASHNHA) (January 9, 2018 and February 27, 2018). The Ombudsman interviewed Office of Public Advocacy staff regarding their experience (and difficulties) with securing public assistance benefits, particularly LTC Medicaid. The Ombudsman also interviewed the Long-Term Care Ombudsman, Teresa Holt, and two members of her staff about the complaints they had received in 2017 related to DPA.

DPA leadership reported that the transition of the LTC Unit to a LEAN management model began in 2010. DPA has encountered many obstacles to successful implementation. While some of these obstacles are internal, others are external. The long-term care providers, care coordinators, guardians, and other advocates for adults with significant disabilities who rely on the extensive services made available through Medicaid waiver programs are an influential and vocal constituency. Another factor is that SB 74, the Medicaid reform legislation passed in 2016,

¹⁰ DHSS manages three waiver programs for people whose disability or chronic health conditions result in the need for nursing facility level of care. The Alaskans Living Independently (ALI) Waiver is available to adults age 21 and over. The Adults with Physical and Developmental Disability (APDD) waiver is available to persons age 21 and over who experience developmental and/or physical disabilities. The Children with Complex Medical Conditions (CCMC) waiver serves medically fragile children and young adults under the age of 22 years. More information about the waiver programs is available at <http://dhss.alaska.gov/dsds/Pages/HCBWprogram.aspx>.

requires that some Pioneer Home residents must apply for Medicaid – creating obligations for both DPA and the Pioneer Home staff.¹¹

All of the information provided through these interviews reinforced the need to accommodate the complexity and acuity of these cases. Many complainants and stakeholders interviewed reported greater efficiency and better outcomes when the LTC cases were assigned to and managed by individual caseworkers. There appears to be consensus that LTC cases are more efficiently and effectively handled in a case management model than a LEAN model of operations. The Ombudsman finds the following allegation **justified**:

Performed Inefficiently: The Division of Public Assistance’s processing model for managing clients’ long-term care cases is inefficient and ineffective.

Interim and Adult Public Assistance

Adult Public Assistance provides a monthly cash assistance benefit to indigent Alaskans who experience disabilities and receive federal Supplemental Security Income (SSI) disability benefits. Interim Assistance provides a small monthly cash assistance benefit to individuals who have applied for but not yet been determined eligible for SSI, or who are appealing denial of SSI eligibility through the administrative hearing process.¹² Adult Public Assistance and Interim Assistance cases are worked in all DPA field offices.

In the course of the investigation, DPA identified that a major contributor to the delays in processing Interim Assistance applications was the difficulty the agency had in recruiting and retaining a disability adjudicator. This position is responsible for reviewing the applicant’s medical information related to the disability asserted and making a determination as to whether the applicant can be reasonably expected to eventually prevail in their application for Social Security disability benefits. The lack of staff to conduct these reviews has resulted in long delays in approving and paying Interim Assistance benefits. This is often a critical source of support for

¹¹ SB 74, Medicaid Reform, Telemedicine, Drug Database was signed into law June 21, 2016. Text available at <http://www.akleg.gov/basis/Bill/Detail/29?Root=SB%2074>.

¹² See DPA Alaska Adult Public Assistance Manual (1/2006) at I-1.

indigent, disabled Alaskans without other financial resources, so delays can have a major impact on the applicants' ability to meet their basic needs.

Recommendations

The Ombudsman, in partnership with DPA and key stakeholders, identified a suite of strategies that would support DPA in meeting its statutory timelines for processing applications; improve communication with recipients and care providers; and increase the efficiency and effectiveness of the LTC Unit. Many of the recommendations proposed will address multiple factors contributing to the problems identified in the investigation. Thus, they are presented together (rather than specific to each allegation).

DPA agreed with all seven recommendations and provided an explanation of its progress toward implementation in its Response to the Preliminary Report.

Recommendation 1: Increase Staff Capacity to Meet Workload Demands

- Hire additional eligibility staff to address the backlog.
- Maintain reasonable staff capacity after the backlog is resolved to meet work flow demands and prevent future backlogs.
- Add Office Assistant positions to the list (in the DHSS waiver from Chief of Staff Scott Kendall's hiring freeze memo of January 6, 2017) of critical DHSS positions that can be recruited during the hiring freeze.
- Hire OA positions (current vacancies first, then additional positions if necessary) to support existing field operations.
- Assign experienced OAs to answer the phones in all regional offices. These OAs should have access to ARIES and EIS and sufficient training/experience to be able to answer basic questions about the status of a case, whether specific documents have been received, etc.
- Expand quality assurance capacity to ensure that work is accurate.
- Contract with a private health care professional to conduct eligibility reviews for Interim Assistance benefits.

DPA is currently contracting with the Department of Labor and Workforce Development, at significant expense, to conduct Interim Assistance reviews. Paying a case rate to a contracted health care professional would provide an opportunity to save money as well as speed up the process.

DPA reported the following efforts related to Recommendation 1:

The Governor's amended budget requested an additional 41 staff for the Division beginning SFY19. Because there is a high turnover rate in the Anchorage area, some of new staff will be recruited for in smaller cities that have lower turnover rates. In addition to the 41 positions requested for FY19, we have received authorization to hire 8 non-perm Office Assistants immediately and are in the process of recruiting for those positions. These positions will be responsible for office support including all Office Assistant duties previously mentioned. More experienced staff will be pulled from the routine duties to answer the phones as they are better equipped to research and answer questions for callers.

DPA also reported that a portion of the positions requested for FY2019 would be case reviewer/ET III positions.

Recommendation 2: Strengthen Quality Assurance Processes

- Reinforce ET use of scripts, especially for case notes, to ensure accuracy and consistency.

The BPR process is that an ET works from where the previous ET left off, without reviewing or redoing the previous work done. To be successful, operations must include practices that reduce the need for ETs to backtrack work and there must be a robust quality assurance process. DPA has attempted to create templates for ETs to use, but the current information management systems do not readily accept cut and paste options. DPA developed scripts for client interviews, and standards for case notes, to ensure that they support the next ET's work (or later quality assurance or quality improvement reviews). Not all staff regularly use the scripts. Quality assurance/case reading capacity is limited. Onboarding new staff will require additional case reviewers to monitor their work and catch errors early.

See also Recommendation 1, related to expanding quality assurance staff capacity.

Recommendation 3: Improve Document Management Practices

The BPR document management practices observed by ombudsman investigators in multiple field office locations seem to work. Documents received by mail, fax, and email are scanned into the shared Z drive daily. The DSM, mail, and fax are checked two to three times daily by OAs. The OAs sort the documents into baskets prior to scanning. Documents delivered to offices by recipients are date stamped and sorted in baskets for scanning. The massive amount of documentation that comes into DPA requires a great deal of staff, and staff time, to manage. Even so, complaints to the Ombudsman about lost applications, supporting documents, or other information not reaching the intended destination are frequent.

- Identify a mechanism through which recipients, providers, care coordinators can upload documents to DPA directly (“self-service”).

OR

- Identify a document management system that would allow recipients, providers, care coordinators to upload documents to DPA directly.
- Reformat the paper application to allow for more seamless scanning to Z drive (reducing the need for ETs to print or rotate pages).

In its Response, DPA explained that it has entered into a partnership with Code for America to create an online application (at no cost to the State of Alaska). DPA has also had preliminary discussions with the Office of Information Technology about using existing software for both the Virtual Call Center and electronic document management, once the Department of Labor and Workforce Development has completed implementation. DPA agreed that, if that effort is not viable, it will prepare a request for proposals (RFP) for a document management system.

Recommendation 4: Create a “document hub” to centralize receipt, processing, and filing of documents.

- Identify a single point of entry where all documents can be mailed, faxed, or emailed.

- Refine current workflow processes so that documents are accepted, date stamped, scanned, registered, and filed efficiently – to support timely processing of applications as well as changes to recipients’ cases – at the document hub.
- Ensure that there are adequate staff in the central records depository and document hub (which may turn out to be less than what was required when stationed in all field offices).

In its Response, DPA shared that the Wasilla field office is already being restructured to serve as a central records repository: “Our vision is to have that area become the document hub so hard copy and eventually electronic documentation will go to that office for date stamping, scanning, logging into PathOS, and filing in the hard copy file . . . we are also looking into hiring a contractor to assist with the incredible amount of filing in each of our offices as well as archiving files that are no longer needed.”

Recommendation 5: All DPA Offices Have Accurate Caller ID

DPA contacts applicants by phone for eligibility interviews, follow up questions related to eligibility, etc. While the Anchorage, Juneau, and Fairbanks offices are on the core SOA system, serviced by GCI, the rural offices use local carriers for their phone service. Currently, the caller ID varies from office to office, and phone to phone. This can discourage people from answering the call, further delaying the eligibility determination process.

- Establish a standard caller ID for all DPA offices, so that no matter who calls from where, it says the same thing.
- Coordinate with the SOA contract manager for all GCI services to update caller ID for all phones on the GCI network.
- Identify whether the rural and Wasilla offices can be shifted to GCI service. If not, coordinate with each local carrier to implement the standardized caller ID.

DPA expects, when the Virtual Call Center is implemented, all calls will have an accurate caller ID associated with a single central phone number. DPA agreed that having the entire agency’s phones consolidated with one vendor would facilitate a standard caller ID.

Recommendation 6: Address Obstacles to Recruitment and Retention

- Educate, train, and coach supervisors to reframe BPR ways of doing business in “helping language” rather than focusing on performance metrics.
- Survey staff to determine how the new workflow management model affects morale.
- Reclassify the ET series to reflect the complex nature of their work and the specialist skills required to perform the work.
- Consider stratification and potential reclassification of OAs to reflect the level of knowledge and work.

Ombudsman staff reviewed the most recent classification study for the ET series. The Ombudsman also reviewed the position descriptions for similar positions. Based on the direct observation of ETs, as well as the complexity of the programs ETs implement, the Ombudsman reviewed the position descriptions for Health Program Associate (Range 16), PFD Specialist (Range 16), and Retirement and Benefits Specialist (Range 16). All three comparison positions have responsibilities similar to the actual daily responsibilities of an ET — and yet are considered more a paraprofessional position than technical position, and thus are compensated at a higher rate.

The Ombudsman recognizes that reclassification of the ET series to reflect the paraprofessional nature of their work will result in higher personal services costs. However, it is reasonable to expect DPA’s training costs, overpayment costs, and fair hearing costs will all decrease as the ET workforce stabilizes, retention improves, and errors associated with novice staff and high turnover decrease.

In its response to the Preliminary Report, DPA agreed that “the division would be able to hire and retain more qualified individuals if we could make a change in the job class used for our Office Assistants or the minimum qualifications for the Eligibility Technician series.”

- Consider creating a career pathway to promote retention.

In the past, it was possible to start at DPA in an entry-level clerical position and work your way up through the ranks to an eligibility position, and then into the policy and leadership cohort. The

current staffing model at DPA does not allow for that career progression. This means that employees seeking more responsibility or better pay turn to positions outside of DPA, rather than building upon their knowledge and experience and staying with the agency. DPA can improve recruitment and retention by offering employees a clear path to advanced positions. This also results in a reduced need to train staff at every level as they come onboard, because they can come to the position with knowledge in hand from previous work for the agency.

DPA provided a lengthy explanation of recruitment and retention strategies underway that will implement Recommendation 6. These include exploring work incentives like alternate work weeks and job sharing. DPA is considering assigning a position to DHSS Human Resources to focus exclusively on DPA hiring and human resources issues. Director Windom has recently developed a partnership with the City and Borough of Juneau (CBJ) so that DPA can use the annual CBJ staff satisfaction survey to help measure DPA staff's satisfaction and effectiveness. DPA is beginning to collect data on various factors in its recruitment and hiring processes to help determine why recruitments are not consistently successful.

Recommendation 7: Implement a Case Management Model for the Long-Term Care Unit

- Assign enough ETs to the LTC Unit to manage a reasonable caseload (500 cases/ET).
- Provide training on the case management model to LTC Unit staff, utilizing institutional knowledge from DPA staff who worked in the unit when it did employ that model.
- Assign an OA to the LTC Unit, responsible for answering phones, answering basic questions about the status of the case, and directing calls to appropriate ETs when necessary.
- Ensure that LTC ETs are available by phone and email to providers and care coordinators.
- Institute (or reinforce) a policy of having Releases of Information (ROIs) with care coordinators and LTC facilities, so that the professionals working directly with the recipients can facilitate communication.
- Explore ways to generate notices to multiple recipients automatically (rather than generating the notices one at a time or recreating the list for each notice).

- Explore ways to streamline operations with the Office of Public Advocacy (OPA), which serves as guardian for a substantial number of LTC, APA, and IA recipients.
- Partner with care coordinators, LTC providers, the Pioneer Home, and OPA in streamlining efforts.

DHSS Leadership had shared with long-term care providers a willingness to consider moving the LTC Unit to a case management model, similar to what was used in the past by DPA. In its Response, DPA confirmed that it is actively moving the LTC Unit back to a case management model. DHSS staff with prior experience working with the LTC Unit cautioned about managing stakeholder expectations. Ensuring a reasonable caseload and setting clear parameters for how the LTC Unit operates will help with keeping expectations in check.

Care coordinators and LTC facilities repeatedly asserted in interviews with the Ombudsman that they want to assist in making applications and recertifications of eligibility for Medicaid and Medicaid Waivers as efficient and accurate as possible. This is not necessarily altruism – LTC facilities have a financial incentive to ensure that residents/patients eligible for Medicaid receive those benefits. Finding ways to streamline operations by sharing the work of information gathering, verification, and communication with or about recipients who experience significant disabilities will benefit DPA as well as the people who rely on public assistance programs.

Conclusion

It is clear, not only from the individual complaints that have been investigated and resolved over the past two years but also from the information collected in this systemic investigation, that the majority of DPA staff are working very hard to serve Alaskans who rely on public assistance programs. DPA supervisors are using every resource to manage the workflow, adjusting in real-time to work the most critical cases. The BPR processes that have been adopted appear to have improved operations, within the limits of staff and resource capacity. Only the LTC Unit seemed not to benefit from the BPR model.

DPA is actively addressing regional disparities in operations and allocating staff resources based on the needs of the program statewide. Shifting to statewide management of the public assistance

program offers opportunities to streamline while also improving services for recipients. Even so, the totality of the information and evidence considered by the Ombudsman reinforces that **additional staff is critical to addressing DPA’s backlog and lack of communications capacity.**

The Ombudsman found all three allegations **justified**, making seven recommendations to address the issues presented during the investigation. DPA accepted the findings and agreed with all of the recommendations. While this investigation is closed, the Ombudsman will monitor the agency’s progress implementing the recommendations over the next 12 months.