Bobby Jindal
GOVERNOR

Bruce D. Greenstein
SECRETARY

State of Louisiana

Department of Health and Hospitals
Office of the Secretary

January 10, 2012

The Honorable John A. Alario, Jr., President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Charles E. Kleckley, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

Honorable Chairman
House Appropriations Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

Honorable Chairman
Senate Finance Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
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Honorable Chairman
House and Governmental Affairs Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
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Honorable Chairman
Senate and Governmental Affairs Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
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Honorable Chairman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
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Honorable Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Alario, Speaker Kleckley, and Honorable Chairs:

In response to House Concurrent Resolution No. 50 (HCR 50) of the 2011 Regular Session, the Louisiana Department of Health and Hospitals (DHH) and the Louisiana Department of Children and Family Services (DCFS) submit the enclosed report. HCR 50 directed the secretaries of DHH and DCFS to jointly study the consolidation of the two departments into one department and to present a report on the findings and conclusions of the study to the legislature. HCR 50 also required DHH and DCFS in their analysis to conduct a comprehensive study and examination of the organization and operations of both departments and to review the areas where there is an opportunity to achieve improved and efficient operation and management of the state's health and social services programs and functions.

The enclosed report contains an organizational and operational overview of both DHH and DCFS, summaries of internal consolidations and improvements in both departments, and examples of streamlining efforts and program transfers that have already taken place or are currently underway as a result of the cooperative efforts between both departments. The report also contains examples of

areas of service where DHH and DCFS work together to ensure that clients who qualify for programs under both agencies receive seamless and coordinated services.

DHH and DCFS, under the leadership of Governor Jindal, have continuously worked together since 2008 to improve the operation of their respective agencies. While both departments, after conducting this study, ultimately concluded that it is not in the best interest of Louisiana citizens to consolidate the two departments into a superagency, both DHH and DCFS intend to continue our efforts to coordinate our planning and provide more streamlined and efficient services for the people of Louisiana.

Thank you for allowing us the opportunity to present the results of our study to you. Kathy Kliebert, Deputy Secretary of DHH, and Dickie Howze, Undersecretary of DCFS, are available to discuss this report with you should you have any questions or comments. Please feel free to contact Ms. Kliebert at (225) 342-7092 or Mr. Howze at (225) 342-0805 with any questions or comments that you may have.

Sincerely,

Bruce D. Greenstein
Secretary of the Department of Health and Hospitals

for: Ruth Johnson
Secretary of the Department of Children and Family Services

Enclosures

Cc: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
The Honorable Members of the House Appropriations Committee
The Honorable Members of the Senate Finance Committee
The Honorable Members of the House and Governmental Affairs Committee
The Honorable Members of the Senate and Governmental Affairs Committee
The Honorable Bobby Jindal
Paul Rainwater, Commissioner of Administration
David R. Poynter Legislative Research Library

DEPARTMENT OF HEALTH AND HOSPITALS

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

CONSOLIDATION OF HEALTH AND HUMAN SERVICE AGENCIES

REPORT PREPARED IN RESPONSE TO HCR 50 OF THE 2011 REGULAR SESSION

JANUARY 2012

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EXECUTIVE SUMMARY

House Concurrent Resolution (HCR 50) of the 2011 Regular Session of the Louisiana Legislature, by Rep. Joe Harrison, directs the secretaries of the Department of Health and Hospitals (DHH) and the Department of Children and Family Services (DCFS) to study the consolidation of the two departments into one department and to present a report on the findings and conclusions of such study to the legislature. The resolution states that the study shall be of the organization and operations of the two departments and of areas where there is an opportunity to achieve improved and efficient operation and management of the state's health and social services programs and functions.

Under Governor Bobby Jindal's leadership, the secretaries and executive leadership of DHH and DCFS have continuously worked together to improve the operation of their respective agencies. This ongoing dialogue has resulted in many improvements since 2008 that have created a more efficient and effective administration of both departments. With the passage of HCR 50, this dialogue continues. Executive leadership for both agencies worked closely to comply with the requirements of this resolution and have included in this report the improvements which have already been implemented as well as the ones that are in the process of being implemented.

While ultimately neither DHH nor DCFS believes that it would be in the best interest of the residents of Louisiana to consolidate the departments into one super agency, the collaborative partnership of the agencies, coupled with the Governor's mandate for efficient and effective government, ensures that a dialogue to improve efficiencies will continue long after this report is submitted.

ORGANIZATIONAL AND OPERATIONAL OVERVIEW OF THE DEPARTMENT OF HEALTH AND HOSPITALS AND THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES

As directed by HCR 50, both the Department of Health and Hospitals and the Department of Children and Family Services conducted comprehensive studies of the organization and operations of their respective departments to determine where there may be duplication and whether further efficiencies may be achieved. While both departments share similar missions and at times serve overlapping populations, the missions and services of both departments are ultimately distinct, as discussed in further detail below.

OVERVIEW OF THE DEPARTMENT OF HEALTH AND HOSPITALS (DHH)

The overarching mission of the Department of Health and Hospitals (DHH) is to protect and promote health and to ensure access to medical, preventive and rehabilitative services for all residents of the State of Louisiana.

Louisiana, according to the 2010 Federal Census, has a population of 4,533,372. DHH has myriad responsibilities to this population including the provision of the state's medical assistance program (Medicaid), as well as services for public health, behavioral health, aging populations and people with developmental disabilities.

In FY 2012, DHH has 8,334 classified and 124 unclassified positions. These employees are divided among nine administrative regions and include staff at three state supports and services centers, one group home, three behavioral health hospitals, 68 parish health units, three specialty clinics, regional offices across the state, and public health offices in New Orleans and headquarters in Baton Rouge. Together, the DHH team manages the ongoing provision of hundreds of programs and initiatives through an annual budget that, in FY 2012, totals $8.26 billion. DHH's funding sources include the state general fund, inter-agency transfers, self-generated funds, statutory dedications, and the federal government.

The Office of the Secretary provides primary leadership and direction for the department and is responsible for the coordination of statewide programs, services and operations. The Undersecretary is essentially the Chief Financial Officer of DHH and oversees the state Medicaid program as well as several functions, including budget, financial planning, purchasing, human resources, accounting and contracts. The Deputy Secretary oversees the programmatic functions of the department and directly supervises the offices of Public Health, Behavioral Health, Citizens with Developmental Disabilities and Aging and Adult Services.

The Office of Aging and Adult Services (OAAS) was created in 2006 and brings together all of the long-term care programs that serve senior citizens and people with adult-onset disabilities. The Office of Behavioral Health (OBH) provides treatment and recovery support services for people suffering from mental illness and/or addictions to drugs, alcohol or gambling. The Office for Citizens with Developmental Disabilities (OCDD) is committed to ensuring quality services, supports, information and opportunities for choice to Louisianans with developmental disabilities and their families. The Office of Public Health (OPH) protects and promotes the general health of Louisiana residents and is centered on

population-based health outcomes. This includes implementation and enforcement of the sanitary code, the provision of vital records, the provision of personal and environmental health services in parish health units, sewerage treatment and disposal, supplemental food programs, emergency preparedness and other functions affecting the public's health.

The Department of Health and Hospitals is dedicated to fulfilling its mission through direct provision of quality services and the utilization of available resources in the most effective manner.

OVERVIEW OF THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

The mission of the Department of Children and Family Services (DCFS) is working to keep children safe, helping individuals and families become self-sufficient, and providing safe refuge during disasters. DCFS serves primarily low income households.

In FY 2012, DCFS has 4,071 classified and 11 unclassified employees. These employees are divided into 75 statewide offices, including 22 Child Welfare offices, 14 Economic Stability offices, 6 Child Support Enforcement offices, 24 combined Child Welfare and Economic Stability offices, 1 combined Economic Stability and Child Support Enforcement office, 2 combined Child Welfare and Child Support Enforcement offices, 2 combined Child Welfare, Economic Stability, and Child Support Enforcement offices, 1 combined Child Support Enforcement and Disability Determination Services office, and 3 Disability Determination Services offices. The budget for DCFS is $949,398,623 and is funded through self-generated revenues, statutory dedications, inter-agency transfers, the state general fund, and the federal government. The agency is divided into three divisions.

The Executive Division supervises, manages, and supports the Division of Management and Finance, Division of Operations and Division of Programs within the Department of Children and Family Services. The Executive Division exercises supervision and control over all functions, staff, and services within DCFS and directly supervises Emergency Preparedness, Communications and Governmental Affairs, Bureau of Audit and Compliance Services and the Executive Counsel.

The Programs Division oversees the programmatic initiatives and the development of policy related to the department's Child Welfare, Economic Stability, Crisis Intervention, Child Support Enforcement, Licensing, Child Development and Early Learning, Program Improvement and Systems, and Research and Analysis sections.

The Operations Division is responsible for statewide field office service delivery administered through DCFS' nine regions. The Operations Division is led by the Deputy Director of Field Operations, who supervises nine Regional Administrators over regional and parish offices across the state. These offices provide front line service delivery including Child Protection Investigations, Family Services, Foster Care Services, Adoptions, Child Support Enforcement, Disability Determinations Services and the administration of assistance through the Supplemental Nutrition Assistance Program, Kinship Care Subsidy Program, Family Independence Temporary Assistance Program, Strategies to Empower People and the Child Care Assistance Program.

DHH AND DCFS INTERNAL CONSOLIDATIONS AND IMPROVEMENTS

DHH and DCFS are two of the largest agencies in state government and over the last four years have been consistently seeking to implement innovative ways to consolidate and improve services. Below are some of the major initiatives that have been created and implemented under the leadership of Governor Jindal:

DHH INTERNAL CONSOLIDATIONS AND IMPROVEMENTS

- **Privatization, Downsizing and Closure of Developmental Centers.** To further the shift in state priorities from direct delivery of health care services to the oversight of health care services, the Office for Citizens with Developmental Disabilities (OCDD) transferred 17 state operated community homes to private providers through a cooperative endeavor agreement, closed 14 state operated community homes, and converted four additional community homes into shared living arrangements through the New Opportunities Waiver program. In line with national trends to support more people with developmental disabilities in home and community based supports and services, three developmental centers (Northeast, Bayou and Columbia) were closed or were consolidated with other centers and one (Acadiana) was privatized through a cooperative endeavor agreement. The census at the three largest developmental centers has been reduced by twenty percent, with individuals transferring to less expensive community based services.

- **Resource Allocation in Home and Community Based Services.** The Office of Aging and Adult Services (OAAS) and the Office for Citizens with Developmental Disabilities (OCDD) have both implemented resource allocation systems in home and community based services for individuals who are aging or have disabilities. By imbedding resource allocation within each office's person-driven planning process, OCDD and OAAS are maintaining a responsive, flexible system that allows for unique individual planning and support differences. The resource allocation systems have reduced hours in Long Term Personal Care Services from 56 hours per week to 32 hours per week. This resulted in a true savings of $5 million and an avoided cost of approximately $32 million. The resource allocation system used in the New Opportunities Waiver program is based on a nationally recognized assessment that is standardized to assure that individuals receive only the amount of hours that they need to be supported in the community. The projected cumulative savings for these systems over a 33-month period will be approximately $40 million at the end of the current fiscal year.

- **Consolidation and Integration of Office of Addictive Disorders and Office of Mental Health.** Act No. 384 of the 2009 Regular Legislative Session by Representative Mills authorized the elimination of the Office of Mental Health and the Office for Addictive Disorders as standalone entities and combined the administrative functions of both areas of care into the Office of Behavioral Health. Previously there were two offices within DHH that had separate administrators, policies, and budgets and operated independently. This new authority ended this duplication and allowed for the operation of a single office that aggressively pursues best practices for programs that independently served persons with mental illness and persons with addictive disorders. It also offers opportunities to increase access to the most complete and appropriate care for the significant number of persons with both mental illness and one or more addictive disorders, referred to as co-occurring disorders, which constitute about 50 percent of the client population. The advisory group established in the legislation submitted recommendations in

March 2010 to the department and legislature and implementation of the recommendations began immediately. A new administrative structure has been established and consolidations occurred at both the central office and regional level. On April 1, 2011, a plan for a 20 percent reduction in staff and costs was successfully implemented. OBH established as a transformative goal for the current fiscal year the integration of business practices and treatments in the regional OBH clinics. OBH, in partnership with local governing entities (LGEs), are entering into a ten month project where clinics belonging to each of the regions and LGEs will be mentored in best practice business and treatment approaches by national experts who have had experience in other states.

- **Downsizing/Transformation of State Mental Health Institutions** In an effort to streamline inpatient mental health services and expand community-based, outpatient mental health services in the Greater New Orleans area, the department consolidated the inpatient beds at the New Orleans Adolescent Hospital with those at Southeast Louisiana Hospital in Mandeville, La. The consolidation not only generated a savings of $9 million in the state budget, but also allowed for a city-wide expansion of community-based, outpatient services. Additionally, 35 acute hospital beds were closed and 118 civil intermediate beds are in the process of being closed within the state mental health inpatient system. New, less expensive forensic services such as Secure Forensic Units and community based step down units have been developed to address the forensic needs at lower costs.

- **Privatization of Addictive Disorder Clinics.** Six state operated residential addiction disorder facilities have been privatized, resulting in a reduction of 177 positions and a savings of $2.5 million. The last facility transferred to a private provider in February 2011 and transitions to the private sector have been successful without a loss of services to individuals in need of addiction services.

- **Consolidation of Public Health Units.** In mid-FY 2011, the Office of Public Health reorganized their public health units to provide more streamlined and cost effective services. Some health units consolidated their staff and reduced days of operations for more effective use of employee and recipient time. These mergers resulted in a reduction of 141 positions statewide.

- **Expanded Efforts to Reduce Unused Nursing Home Bed Capacity.** DHH's research showed that Louisiana had the most nursing home beds and the highest number of residents per 1,000 over the age of 85; however, Louisiana also had one of the lowest nursing home bed occupancy rates. The funding formula for Medicaid payments to nursing homes was based in part upon square footage; consequently, the low occupancy rate was resulting in an estimated cost to the state of more than $20 million annually for empty beds. To address the $20 million annual cost, DHH adjusted its funding formula to include a higher minimum occupancy rate, encouraging facilities to reduce unused bed capacity. DHH also initiated a plan to reduce the unused nursing home bed supply through a private room conversion incentive and a bed buy-back procedure.

DCFS INTERNAL CONSOLIDATIONS AND IMPROVEMENTS

- **Name and Organizational Structure Change.** On July 1, 2010, the Department of Social Services became the Department of Children and Family Services as a result of the passage of Act No. 877 by Senator Mount and Representative Katz during the 2010 Regular Session. Along with

the name change, offices within the department were dissolved. The change eliminates silos and has allowed the department to focus on core competencies and improve outcomes for the children and families of Louisiana. It also resulted in significant changes to the chain of command, and changes in relationships among DCFS employees. The change brought a heightened awareness to all employees by teaching them all aspects of services the department provides.

- **Office Consolidations**. Prior to consolidations, DCFS staff occupied 165 brick and mortar buildings. The number of regional and parish offices has been reduced to 78 (75 of these offices house Child Welfare, Economic Stability and Child Support Enforcement field staff; three of the offices house Disability Determinations Staff who work in the field but are assigned to Program rather than Operations). An additional 10 physical locations have been targeted to close and are in various stages of closure. Office consolidations have resulted in very significant savings and have prevented reductions in staff size which would have otherwise been necessary.

- **Teleworkers**. Within the last year, DCFS has gone from zero to approximately 300 teleworkers. Allowing these employees to work from home results in additional reductions in the amount of needed office space. The department utilized "Skype" internet based telephone technology to further reduce the cost of providing voice services to our employees.

- **CAFÉ.** Development of Common Access Front End (CAFÉ) technology will transform the DCFS work environment, client and provider experience and result in a much greater level of efficiency. DCFS has utilized experienced staff to assist with the development of this new technology. The project will transform the experience of applying for services, making it available in more locations and providing more streamlined access and submission of applications for those services.

- **Document Imaging**. Document imaging will result in electronic versions of documents required of service consumers and will be available to all DCFS staff. It will prevent the duplication of effort for both staff and consumers resulting from a copy of each document (birth certificates, marriage licenses, social security cards, etc.) being maintained for each program area. Document imaging will also prevent loss of documentation such as that which occurred in Hurricanes Katrina and Rita where DCFS suffered the loss of client records as a result of flooding.

- **Customer Call Center**. The DCFS Customer Call Center's role has expanded. Call center representatives handle a number of tasks that were performed by workers, such as providing general information about eligibility requirements for DCFS programs, receive information for changes to some program cases, assist consumers to complete applications for some programs, mail forms and benefit history to Economic Stability customers, and provide case specific information for some programs. The call center on average answers over 900,000 calls on a monthly basis, freeing up workers to focus on their core responsibilities.

- **Centralized Intake**. DCFS has recognized the need for a centralized mechanism for accepting and evaluating complaints of child abuse and neglect. The number of accepted reports varied widely between regions and there appeared to be inconsistent application of report acceptance criteria. While the importance and long-term benefits of centralized intake are obvious, equally obvious is the short-term impact on field staff. Consolidation achieved uniformity and consistency in response to community and mandated reporters of child abuse and neglect. The

consolidation of this specialized social service function provides for improved monitoring of response, better targeted training, and improved quality of abuse/neglect reports assigned for investigation. Since implementation, the centralized unit has also resulted in an increase in the number of child abuse neglect reports investigated by child protection investigators.

COOPERATION BETWEEN AGENCIES AND EFFORTS TO STREAMLINE AND TRANSFER PROGRAMS

Both DHH and DCFS began efforts in FY 08/09 to streamline, eliminate duplications, and reduce inefficiencies within their departments, between their departments, and across other departments as well. Examples of these efforts include the following:

- **Transferred Appropriate Rehabilitation Services Functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.** Act No. 939 of the 2010 Regular Legislative Session by Representative Katz transferred Louisiana Rehabilitation Services (LRS) from the Department of Social Services (DSS) to both DHH and the Louisiana Workforce Commission. This legislation resulted from the Streamlining Commission's recommendations to integrate certain programs and services that were provided separately before. Programs, entities, and services that were transferred to DHH from DSS include the Louisiana Commission of the Deaf, the Community Living and Family Support Program, the State Personal Assistance Services Program, and the Traumatic Head and Spinal Cord Injury Trust Fund. Programs that were transferred from DSS to the Workforce Commission include Vocational Rehabilitation, the Randolph-Sheppard Program, the Independent Living Program Part B, and the Independent Older Blind Program. The programs were transferred because they better align with the core competencies that exist within DHH and the Workforce Commission, aiming to produce better outcomes for the clients who utilize these services. The transfer was effective July 1, 2010, and the transition has been smooth.

- **Implementation of Bayou Health.** On February 1, 2012, DHH will launch the single biggest transformation in Louisiana Medicaid since the inception of the program in the 1960s – Bayou Health. Louisiana Medicaid has always been a fee-for-service program through which providers bill and are paid for services provided to Medicaid recipients, without any coordination, tracking, or outcomes measurement. This system has left Louisiana ranking at 49th or 50th nationwide for health outcomes year after year, even though billions of dollars are invested into the program. The coordinated care model has been successfully used in other states to manage care, improve patient outcomes, reduce fraud and waste, and ensure that the money spent on health care yields high quality outcomes. For the first time in Louisiana Medicaid history, Medicaid recipients will have a choice of health plan coverage with one of five highly qualified plans – Amerigroup, Community Health Solutions, LaCare, Louisiana Healthcare Connections, and United Healthcare Community Plan. These plans know the unique needs of the Medicaid population and how to help manage their care. While the plans all cover current Medicaid services, they will also increase access to specialists, improve referral policies, and offer recipients extra services and incentives to promote preventive health and maintenance of chronic diseases. Each of these plans will accept responsibility for the quality and cost of care provided to its patients by better managing treatment across care settings and by pursuing quality targets. All outcomes will be measured by DHH and made available to the public for review and assessment of the program's success. The ultimate goal

is improved quality for the dollars spent on health care with identifiable and measureable results that will make our population healthier.

- **Implementation of the Coordinated System of Care (CSoC).** DHH, DCFS, the Department of Education, the Office of Juvenile Justice, and the Governor's Office have worked together to develop a coordinated system of care for Louisiana's at-risk children and youth with significant behavioral challenges or co-occurring disorders. It is widely acknowledged that services to these children and families have been provided through a fragmented delivery model that is not well-coordinated, difficult to navigate, and often inadequate. The Coordinated System of Care (CSoC) will remedy those issues and serve up to 2,400 young people with behavioral health challenges who are in or at-risk of out of home placement. CSoC is scheduled to begin enrollment in five regions of the state in March 2012. This includes the Shreveport, Monroe, Alexandria, and Capital areas, as well as Jefferson Parish. Youth enrolled in the CSoC will receive individualized care planning using an innovative practice known as "wraparound", provided by newly formed regionally-based wraparound agencies that ensure that services are coordinated and not duplicative. A national evaluation of Systems of Care has found that enrolled youth spend more time in school, have improved grades, exhibit reductions in disciplinary problems, have fewer arrests, achieve improved emotional health, including fewer suicide attempts, and demonstrate reduced use of inpatient and residential care. This approach also has the added benefit of maximizing Medicaid dollars. State plan amendments and waivers have been submitted to the Centers for Medicare and Medicaid Services for approval of Medicaid eligible payments for services previously paid for by state dollars. A statewide management organization, Magellan, will manage the services for costs and outcomes.

- **Implementation of the Louisiana Behavioral Health Partnership.** In addition to the efforts under the Coordinated System of Care (for a subset of the population who are in or at-risk of out of home placement), the Office of Behavioral Health has begun efforts to implement the Louisiana Behavioral Health Partnership (LBHP), a managed care approach for Louisiana's adults and children with behavioral health issues or co-occurring disorders. Behavioral health services to adults, children, and families across the state have been provided in a disjointed system that is also not well-coordinated and results in care that does not necessarily adequately meet client needs. The LBHP will improve the quality of behavioral health services for children not served within CSoC and adults, thereby reducing the state's cost of providing behavioral health services by leveraging Medicaid and other funding sources, reducing duplication of services across state agencies, and improving overall outcomes for adults and children. The statewide management organization for the LBHP, Magellan, will manage behavioral health services for up to 50,000 children and youth and 100,000 adults. Magellan will also manage the behavioral health services for Medicaid children in need of specialized and medically necessary behavioral health care. An eligible portion of the non-Medicaid child and youth populations currently served through OBH, OJJ, and DCFS will also have their behavioral health services managed through Magellan. Statewide implementation of the LBHP is set for March 1, 2012.

- **Consolidating Eligibility and Enrollment Functions for Citizens Needing Services or Support from DCFS or DHH at No Additional Costs.** As stated in HCR 50, there are several programs in both DCFS and DHH that have similar eligibility criteria and serve many of the same clients. By coordinating or combining key components of the various benefit programs administered (such as Medicaid, LaCHIP, WIC, TANF, SNAP and CCAP) for eligibility and/or

enrollment, the administrative burden will be lessened on both the state and the citizens served. Both departments have been working to accomplish this through the use of web-based technology, a centralized call center, electronic case records, and a provider portal. Coordination between the departments is already occurring. For example, DCFS staff loads information on children in foster care, who are categorically eligible for Medicaid, into the MEDS system to obtain Medicaid cards. SNAP (food stamps) clients are automatically referred for Medicaid.

- **Developed a Plan and Explored Efficiency Opportunities for Consolidating Field Sampling Programs within DHH, the Department of Environmental Quality, and the Department of Wildlife and Fisheries.** DHH, the Department of Environmental Quality (DEQ), and the Department of Wildlife and Fisheries (DWF) were all separately engaged in field sampling of water. DHH sampling focused on determining the level of fecal coliform and ecoli levels in molluscan shellfish growing areas, DEQ tested for levels of mercury in the water body and in fish, and DWF tested for water quality properties such as salinity and oxygen levels as well as fish population parameters. Now, these three departments are collaborating and have consequently reduced duplication in the water sampling programs.

- **Other Cooperative Efforts between DCFS and DHH.** To ensure that overlapping services are provided as seamlessly as possible, both DCFS and DHH work together at the regional and parish level on multiple efforts including:

  - **Substance abuse screening and treatment** – DHH stations substance abuse counselors in DCFS field offices to provide substance abuse screening, counseling and referral for more intensive levels of treatment for DCFS clients, when so indicated. This service is available to both child welfare and economic stability clients. Referrals are made by DCFS staff to DHH for these same services in offices where there is not an in-house substance abuse professional.
  - **Mental Health** – Mental Health Case Management services are provided to DCFS consumers through DHH contract providers.
  - **EPSDT** - Children being served by the DCFS child welfare program receive Early Periodic Screening, Diagnosis and Treatment Services (EPSDT) through DHH Kidmed clinics to address physical, mental health, and developmental conditions.
  - **Developmental Disabilities** – DCFS and local DHH Office for Citizens with Developmental Disabilities offices or human service districts and authorities work together to serve children with developmental disabilities.
  - **Medicaid Waiver** – DCFS local offices refer children and youth to Medicaid Waiver programs to support their ability to live independently.
  - **Parenting Education** – DCFS local offices and Public Health offices work together to provide parenting education. One example of their collaborative efforts is the Nurse Family Partnership Program, which serves low-income, first-time mothers by providing nurse home visitation services beginning early in pregnancy and continuing through the first two years of the child's life. The program aims to improve child health and the development and self-sufficiency of mothers.
  - **Birth Certificates** – DCFS local offices and Public Health offices work together to provide birth certificates for children.
  - **Mandated Reporting** – Health care professionals employed by DHH are mandated to report child abuse and neglect to DCFS so that those reports can be investigated and the safety and

well-being of children maintained either in their own homes or through the foster care program.

- **Service Coordination** – Regional level Interagency Service Coordination meetings involve DCFS and DHH along with other service providers to identify the service needs of multi-problem families and to identify the most appropriate entity to meet each of those needs.
- **Substance Abuse Treatment Program** – DCFS has partnered with the DHH Office of Behavioral Health to fund the cost of substance abuse assessment and the treatment of members of need families to the extent that funds are available.
- **Sharing of TANF Funds** – Louisiana uses Temporary Assistance for Needy Families (TANF) Funds for state administered programs in DCFS (including the Family Independence Temporary Assistance Program (FITAP), the Kinship Care Subsidy Program (KCSP), and the Strategies to Empower People (STEP) Program) and for TANF initiatives across various departments in the state. Other state agencies such as the Departments of Education, Public Safety and Corrections, Economic Development, and Health and Hospitals, as well as Louisiana State University, the Governor's Office, and the Supreme Court of Louisiana also partner with DCFS to provide TANF-funded services through Memoranda of Understanding with DCFS.
- **Early Childhood Supports and Services (ECSS)** – ECSS is funded by DHH and DCFS (through TANF funds). ECSS provides early intervention for parents and infants aged 0-5 who are at risk of developing cognitive, behavioral, and relationship difficulties and are in need of behavioral health services. This nationally recognized program is designed to keep at-risk families intact and promotes healthy infant child development through critical developmental periods.

CONCLUSION

Differences between DCFS and DHH begin with their distinct missions. DCFS works to keep children safe, helps individuals and families become self-sufficient and provides safe refuge during disasters. DHH works to protect and promote health and to ensure access to medical, preventive and rehabilitative services to all citizens of Louisiana. When translated to the level of field operations, these overarching missions result in the need for staff with different and unique educational backgrounds and training.

Though service gaps in DHH and DCFS still exist and are in the process of being addressed, a merger of the two departments would not resolve those issues. As HCR 50 references, the departments were once merged into one superagency which included the administration of state hospitals. At the time they were merged, DHH and the Department of Social Services (DSS), the predecessor agency to DCFS, were very different agencies serving much smaller populations. Since the division of these departments in 1988, Louisiana's healthcare landscape and service demand have changed radically, with more change on the horizon. For example, in the 1987-1988 budget cycle, total Medicaid expenditures were $905,227,829. Comparatively, for Fiscal Year 2011, expenditures were $6,878,728,882. Further, in FY 87-88 the total number of Medicaid eligible individuals for the State of Louisiana was 606,554, whereas the same number for FY 2011 was 1,201,607. If the Affordable Care Act is implemented in 2014, this number will rise even more dramatically, when Medicaid eligibility will increase to 133 percent of the federal poverty level.

Additionally, even though our state has two separate departments now, many states would consider Louisiana's DHH to be a "superagency" already. This is because most other states – particularly states with large Medicaid populations – have several different agencies that administer their health care and social services programs. Quite often, the Medicaid program alone is housed in its own agency headed by a cabinet-level official. For example, Alabama has a Medicaid agency, a Department of Human Resources, and a Department of Mental Health, all of which are cabinet level. It also has a Department of Public Health which reports to an independent medical board. Tennessee has a Department of Health, a Department of Human Services, and a Department of Mental Health – none of which run the Medicaid program. Their Medicaid program is actually administered by a fourth agency, the Department of Finance and Administration. Mississippi also splits Medicaid, Human Services, and Health into three different departments.

After analyzing the administration of these agencies and comparing our departments with parallel ones in other states, both DCFS and DHH have determined that combining both departments into one large department would not only negatively affect services to the populations served, it would make our state one of the only states to administer so many programs in one large superagency. Instead, both departments have determined that a better approach to streamline administration is to eliminate departmental silos, eliminate duplication of services, and institute evidence based practices in order to provide adequate and expedient services to an expanding clientele.

As stated at the outset of this report, the cooperation between DHH and DCFS has been more positive and fruitful under the Jindal administration than ever before. Considering all facts and evidence of the distinct missions of the agencies, the distinct populations served, the cooperation between the agencies to achieve numerous efficiencies, the countless internal consolidations and improvements and the commitment to ongoing collaboration, and the current breadth of responsibility for both agencies, it is the

recommendation of these two agencies that a merger would serve only as a detriment to the people of this state and have no material benefit on the efficiency or effective operation of state government.

Acknowledgments

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Louisiana Department of Health and Hospitals

Bruce D. Greenstein, Secretary
Kathy Kliebert, Deputy Secretary
Jerry Phillips, Undersecretary
Carol Steckel, Center for Health Care Innovation and Technology Director
Christine Peck, Legislative and Governmental Relations Director

Department of Children and Family Services

Ruth Johnson, Secretary
Brent Villemarette, Deputy Secretary of Programs
Dickie Howze, Undersecretary

ENROLLED

Regular Session, 2011

HOUSE CONCURRENT RESOLUTION NO. 50

BY REPRESENTATIVE HARRISON

A CONCURRENT RESOLUTION

To direct the secretaries of the Department of Health and Hospitals and the Department of Children and Family Services to study the consolidation of the two departments into one department and to present a report on the findings and conclusions of such study to the legislature.

WHEREAS, Louisiana is facing a budget crisis requiring the offset of a projected $1.6 billion revenue shortfall, and the legislature is currently in the process of carrying out the difficult task of determining those agencies and programs that must withstand severe funding cuts, while considering proposals for major changes in the way certain state functions are administered in order to achieve savings; and

WHEREAS, the governor has called for funding cuts and recommended privatizing certain state functions, while seeking ways to maintain key services and continue economic development efforts, all of which requires very close scrutiny of all state government operations with an eye toward economy and efficiency; and

WHEREAS, economy and efficiency in state government is one of the main objectives of the Executive Reorganization Act, enacted in response to a mandate of the Louisiana Constitution of 1974, which provides that its purpose is in part "to create a structure for the executive branch of state government which is responsive to the needs of the people of this state and which is sufficiently flexible to meet changing human and natural conditions; to promote economy and efficiency in the operation and management of state government, and to strengthen the executive capacity for effective, efficient, and economic administration at all levels...and to eliminate to the fullest practicable extent duplication of effort within the executive branch of state government in order to use wisely the funds of the

state and more conveniently to meet the needs of the citizens of Louisiana which are supported by revenues derived from the people and from the natural resources belonging to them"; and

WHEREAS, government reorganization for the purpose of further consolidation of government functions and elimination of duplication clearly constitutes one of the most obvious, and potentially one of the most effective, ways to support the ongoing work of the legislature and the governor in response to the current budget dilemma, and the Constitution of Louisiana grants the legislature responsibility for reallocation of offices, agencies, and other instrumentalities of the executive branch of state government and their functions, powers, duties, and responsibilities within not more than twenty departments; and

WHEREAS, primary candidates for such reorganization are the Department of Health and Hospitals and the Department of Children and Family Services, for these departments, which administer the health and social services functions of state government, are major bureaucratic structures that serve many of the same clients and have closely related responsibilities and related eligibility and funding structures, and in fact the two departments were at one time a single larger department that also included the state's hospitals.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby authorize and request the secretaries of the Department of Health and Hospitals and the Department of Children and Family Services jointly to study the consolidation of the two departments into one department and to present a report on the findings and conclusions of such study to the legislature.

BE IT FURTHER RESOLVED that such plan shall have the purposes of promoting economy and efficiency in the operation and management of the functions of the state relative to health and social services, strengthening the executive capacity of the new department for effective, efficient, and economic administration while also improving the quality of the functions performed and the programs and services rendered by the new department for the state's citizens, and eliminating to the fullest practicable extent duplication of effort within health and social services functions of state government.

BE IT FURTHER RESOLVED that the secretaries shall conduct a comprehensive study and examination of the organization and operations of the two departments and such study shall include but not be limited to the merger of functions, abolition of agencies, consolidation of offices, elimination of job positions, elimination of duplication of functions, full implementation of an office of management and finance and consolidation of its functions, and efficiency and economy in delivery of services.

BE IT FURTHER RESOLVED that such study shall include:

(1) A study of the organizational structures and the assignment of powers, duties, functions, responsibilities, and programs of the two departments and a review of those areas where there is an opportunity to achieve improved and efficient operation and management of the state's health and social services programs and functions.

(2) A report of the findings of the secretaries' comprehensive study and examination of the organization and operations of the two departments and any other explanatory material the secretaries determine to be necessary to explain the study.

BE IT FURTHER RESOLVED that the secretaries shall complete such study and submit it to the speaker of the House of Representatives, the president of the Senate, the Joint Legislative Committee on the Budget, the House Committee on House and Governmental Affairs, the Senate Committee on Senate and Governmental Affairs, the Senate Committee on Health and Welfare, and the House Committee on Health and Welfare not later than December 31, 2011, and that a copy thereof shall be submitted to the governor and to the commissioner of administration.

BE IT FURTHER RESOLVED that the Joint Legislative Committee on the Budget, the House Committee on House and Governmental Affairs, the Senate Committee on Senate and Governmental Affairs, the Senate Committee on Health and Welfare, and the House Committee on Health and Welfare, individually or jointly, may conduct such hearings as they deem appropriate to review the study and material submitted by the secretaries and that the secretaries shall furnish the committees any information they may request concerning reorganization of the departments and appear before any of the committees to provide such information as any of the committees may request.

BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted to the Honorable Bobby Jindal, Governor of Louisiana; Paul W. Rainwater, Commissioner of Administration; Bruce D. Greenstein, Secretary of the Department of Health and Hospitals; and Ruth Johnson, Secretary of the Department of Children and Family Services.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE