Management Audit of the Department of Employment and Benefit Services

Prepared for the
Board of Supervisors of the
County of Santa Clara

Prepared by the
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County of Santa Clara

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March 3, 2009

Supervisor Ken Yeager, Chair
Supervisor Dave Cortese, Vice Chair
Board of Supervisors Finance and Government Operations Committee
70 West Hedding Street
San Jose, CA 95110

Dear Supervisors Yeager and Cortese:

At the direction of the Board of Supervisors, we have completed a management audit of the Department of Employment and Benefit Services. This study was conducted pursuant to the authority of the Board of Supervisors under the Board's power of inquiry, as provided in Article III, Section 302 (c) of the County Charter and in conformity with the auditing standards of the United States Government Accountability Office.

This audit was selected through the Board of Supervisors' Management Audit Program risk assessment analysis that identifies and prioritizes areas of County government for future audits. The purpose of the management audit was to examine the operations, management practices and finances of the Department of Employment and Benefit Services, and to identify opportunities to increase the Department's efficiency, effectiveness and economy. Due to the size of the Department, an audit work plan was developed that focused on the programs and functions funded with General Fund monies. The Department's adopted budget for FY 2008-09 totaled $272.7 million. While the vast majority of Department costs are reimbursed by State and federal sources related to public assistance programs, the FY 2008-09 Mandate Study identifies General Fund subsidies for the Department totaling approximately $16 million.

Initial work on this audit began on January 28, 2008, and a draft report was completed on December 23, 2008. However, work on the audit was interrupted on two occasions by direction of the Board of Supervisors. First, work on the audit stopped on approximately May 1, 2008, through approximately June 15, 2008, to conduct a review of the County Executive's Recommended Budget for the Board. Immediately following completion of that budget review, and as a result of the County Executive's estimates of significant budget deficits in FY 2009-10 and beyond, the Board directed the Management Audit Division to complete a new version of the Mandate Study, assessing County departments' use of General Fund subsidies and flexibility to absorb reductions

in their programs. The FY 2008-09 Mandate Study, and selected follow-up work from it, was completed on approximately September 30, 2008. At that point, work on this audit resumed, leading to completion of the draft audit report.

In addition, as a result of a key finding regarding the County's ability to obtain Medi-Cal eligibility for some DEBS beneficiaries by qualifying them for Supplemental Security Income status through the Social Security Administration, we contacted various units within the Santa Clara Valley Health and Hospital System to identify procedures used to seek reimbursement of health care costs for such clients, and to determine the extent of additional reimbursement that may be available. While the Management Audit Division seeks to focus its work on the auditee and its operations, the inter-relatedness of County departments occasionally requires audit findings to consider other departments and include recommendations to improve the overall effectiveness of County operations.

Based on audit procedures, a total of nine findings with 33 corresponding recommendations were developed. Included are findings related to achieving additional reimbursement of health care costs for aid recipients who become eligible for Supplemental Security Income benefits, steps to increase the number of applicants made eligible for SSI, efficiencies in the Food Stamp application process that would permit staff reductions, potential staff savings in the CalWORKS applications process, improvements in the General Assistance application process to meet federal requirements, and improvements in organizational structure, training and monitoring of sick leave. The Social Services Agency agrees or partially agrees with all but one of the recommendations directed at the Agency or Department. We estimate that full implementation of the report's recommendations would result in approximately $4.4 million in one-time and ongoing potential revenues, and $8.4 million of gross expenditure savings. These potential savings and revenues include General Fund monies and State and federal reimbursements, with the General Fund benefit totaling $4.8 million.

Although most of the recommendations contained in this report are directed to the Department of Employment and Benefit Services, issues were also raised that require the attention of the Santa Clara Valley Health and Hospital System, Employee Services Agency, and Office of Budget and Analysis. The written response from the Social Services Agency begins on Page 155 of this report. We would like to thank the Director of the Social Services Agency, Director of the Department of Employment and Benefit Services, and all other staff involved with this audit for their cooperation and assistance.

Respectfully Submitted,

Roger Mialocq

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Executive Summary

The Santa Clara County Board of Supervisors authorized a management audit of the Department of Employment and Benefits Services in FY 2007-08. This audit was conducted in accordance with generally accepted government auditing standards of the United States Government Accountability Office. The audit was performed pursuant to the Board's power of inquiry specified in Article III, Section 302 (c) of the Santa Clara County Charter.

The purpose of the management audit was to examine the operations, management practices and finances of the Department of Employment and Benefit Services, and to identify opportunities to increase the Department's efficiency, effectiveness and economy. Due to the size of the Department, an audit work plan was developed that focused on the programs and functions funded with General Fund monies.

As part of this management audit, the Management Audit Division conducted more than 70 survey and fieldwork interviews with managers, supervisors and line staff in all portions of the Department of Employment and Benefit Services. These interviews in many cases included direct observation of staff as they conducted their regular duties. We also reviewed procedure manuals maintained by the Department, internal reports prepared by the Department, and information on databases maintained by the Department, including the CalWORKs Information Network (CalWIN) system and other Department systems. We also conducted a survey, responded to by eight of the 10 largest California counties, excluding Santa Clara County, in order to identify key differences in practices in those counties versus Santa Clara County.

This report identifies nine findings that encompass major areas of Department operations. Included are findings related to achieving additional reimbursement of health care costs for aid recipients who become eligible for Supplemental Security Income benefits, steps to increase the number of applicants made eligible for SSI, efficiencies in the Food Stamp application process that would permit staff reductions, potential staff savings in the CalWORKS applications process, improvements in the General Assistance application process to meet federal requirements, and improvements in organizational structure, training and monitoring of sick leave.

The report identifies approximately $4.4 million in one-time and ongoing potential revenues, and $8.4 million of gross expenditure savings. These potential savings and revenues include General Fund monies and State and federal reimbursements, with the General Fund benefit totaling $4.8 million.

A synopsis of each of the findings and related recommendations is provided on the pages that follow.

Section 1: SSI Advocacy Program – Increased Medi-Cal Reimbursement of Health and Hospital System Costs

In FY 1984-85, the Social Services Agency created a special purpose unit called the SSI Advocacy Unit within its General Assistance Division for the purpose of qualifying for federal Supplemental Security Income (SSI) disabled County residents who are receiving General Assistance. Qualifying these residents for SSI relieves the County of the financial responsibility for these persons. Once clients are approved for SSI, they are also qualified for Medi-Cal benefits retroactively to the date of their SSI application. Each month, the Social Services Agency Accounts Receivable Unit compiles a list of clients approved for SSI during that month, and transmits the list to the Health and Hospital System (HHS) Patient Business Services (PBS) Division for processing.

However, based on interviews with HHS Patient Business Services staff, the lists have not been distributed to other HHS staff who bill for pharmaceuticals, mental health or drug and alcohol services. In addition, due to a lack of comprehensive written procedures for the processing of monthly SSI approval information, HHS Patient Business Services staff have not fully billed for services back to the retroactive date of SSI eligibility, as permitted by State and federal regulations.

Analysis of a systematic random sample of more than 100 Social Services clients approved for SSI during the past five fiscal years, determined that 53.4 percent received medical services at Valley Medical Center or County clinics, 47.8 percent received mental health and/or drug and alcohol services, and 70.3 percent received pharmaceuticals during their periods of retroactive eligibility. None of these services, which total about $7.8 million annually and average approximately $15,853 per SSI-approved client were billed to Medi-Cal. Since SSI approvals total about 492 annually, based on current Medi-Cal reimbursement rates, total lost Medi-Cal revenue amounts to approximately $2.9 million annually.

By centralizing HHS responsibility for overseeing retro-active billing of SSI-approved patients, and implementing comprehensive written procedures to ensure the proper and timely distribution of the monthly SSI approvals report, Medi-Cal billings could be increased by approximately $7.8 million annually. These previously unbilled health services could generate increased reimbursements estimated to amount to $2.9 million annually, and $1.45 million on a one-time basis.

Based on these findings, the Social Services Agency should:

1.1 Transmit its monthly report of SSI approvals directly to each of the following Health and Hospital System billing units (in addition to the PBS Hospital/Clinic Billing Unit), including (1) PBS-Professional Services Billing, (2) Ambulatory Pharmacy Services Billing, (3) PBS-Mental Health Services Billing, (4) Mental Health Department Administration, (5) Public Health Department Lenzen Pharmacy Billing, and (6) HHS-Fiscal Services. (Priority 1)

The Social Services Agency has already implemented this recommendation.

The Health and Hospital System should:

1.2 Temporarily prepare and adopt a comprehensive, detailed written procedure to govern the processing of the monthly report of SSI approvals by all billing units in the Health and Hospital System. (Priority 1)

1.3 Conduct procedures training of all HHS staff who are responsible to research HHS patient records for all General Assistance clients on the monthly list of SSI approvals, and to prepare and process retroactive Medi-Cal bills. (Priority 1)

1.4 Create a new PBS-Retroactive Medi-Cal Unit staffed with a Senior or Supervising Patient Business Services Clerk responsible to oversee the monthly processing of SSI approval lists received from the Social Services Agency, and to prepare monthly activity and collections reports. The HHS should submit an amendment to the Annual Salary Ordinance adding this position and deleting one or more of the 16 vacant positions in the Patient Business Services Division in order to make the creation and staffing of the new unit cost neutral. (Priority 1)

It is estimated that the County could recover about $2.9 million annually and about $1.45 million on a one-time basis through the implementation of appropriate procedures as described herein.

Section 2: County-wide Cost Effectiveness of the SSI Advocacy Unit

As of January 1, 2009, 3,144 County residents were receiving General Assistance (GA) at an annual General Fund cost of approximately $7.8 million. GA caseload increased from an average of 1,216 cases in FY 2000-01 to a FY 2008-09 average of 3,286 cases. As of December 2008, 1,760 clients, or 54 percent of the GA recipients, were classified as unemployable, many due to disability.

Since 1985, the Social Services Agency has operated an SSI Advocacy Unit to proactively assist GA clients to apply for federal Supplemental Security Income (SSI). Transitioning a client from the County's GA Program to the federal SSI Program, results in an estimated County-wide benefit of approximately $10,149 per SSI approval.

Although the SSI Advocacy Unit historically averaged about 21 case approvals per year per worker, no periodic statistical or management reports have been produced by the Unit since FY 2004-05. The Unit supervisor estimates the average annual number of case approvals per worker to be 15 to 16 cases, while SSA Administration believes the average number of case approvals to be only about 10.4 cases per worker per year.

Furthermore, an April 2007 organizational change in the client referral process to the SSI Advocacy Unit resulted in more than 100 cases not being referred during the subsequent year, even though clients were continuously receiving GA and had been documented for more than one year as being unable to work.

Lastly, SSI Advocacy Unit staffing has declined from 13 authorized positions to six positions assigned to SSI Advocacy Unit cases, and four positions outstationed to homelessness prevention centers with responsibility for any SSI cases that they can generate from those sites. However, Agency budget reduction plans potentially would eliminate three of the 10 positions assigned to the SSI Advocacy Unit.

As a result, disabled GA clients will remain on GA indefinitely or longer than would otherwise be necessary, and will receive health and hospital services entirely at County cost, rather than through the State and federally funded Medi-Cal Program.

By reimplementing monthly SSI management information reports to track all its cases, and progressively increasing staffing of the SSI Advocacy Unit as long as it operates on a County-wide cost recovery basis, the County can minimize its net cost of support and medical services to GA clients.

Based on these findings, the Department of Employment and Benefit Services should:

2.1 Thoroughly train all eligibility workers to recognize and refer cases of potential disability, set targets for increased referral rates, and monitor referrals from the existing list of "unemployables" in order to ensure the timely referral of all disabled General Assistance clients. The SSI Advocacy Unit supervisor should also review the list of unemployable General Assistance recipients every six months to ensure that no potentially disabled clients have been overlooked by eligibility worker screening. (Priority 1)

2.2 Continually monitor the number of SSI approvals resulting from the work of the SSI Advocacy Unit, calculate the average County-wide cost/benefit of the workers assigned to the Unit, and progressively add social workers codes to the SSI Advocacy Unit as long as it operates on a County-wide cost recovery basis. It is further recommended that the SSI Advocacy Unit maintain a log of case approvals as described in this section. (Priority 1)

2.3 Improve the SSI Advocacy Unit management information system by developing a comprehensive set of periodic (monthly/daily) reports so that the Unit Supervisor receives and monitors information on caseload of each worker, backlogged cases, cases completed per worker and in total, length of time to complete cases, amount of General Assistance recovered, amount of Medi-Cal reimbursement received by HHS, and other data as appropriate. (Priority 3)

By increasing the number and timeliness of SSI Advocacy referrals and adding Social Worker II codes to the SSI Advocacy Unit as long as the Unit operates on a County-wide cost recovery basis, the Department could significantly increase the number of General Assistance clients that transition to SSI and minimize its net cost of support and medical services provided to General Assistance clients.

Section 3: Generic Intake Caseload Standard

The Department of Employment and Benefit Services (DEBS), is staffed with 120 Eligibility Worker III-Intake positions who process client applications for aid in the CalWORKs, Food Stamps, and Medi-Cal programs. Pursuant to the collective bargaining agreement with the County, these "Generic" Intake Eligibility Workers are required to process 40 applications per 21-day month, or 1.9 applications per day (4.2 hours per application).

The collective bargaining agreement also provides full work credit (compensation) for each client application appointment, whether or not the applicant shows up for the appointment.

However, the prevailing practice among the most populous California counties is to use a caseload range rather than a fixed standard, and not to provide workers full work credit for applications not taken due to "no-shows." Further, based on data reported to the State by each county, Santa Clara requires approximately 40 percent longer to process an application, and completes a lower percent of applications received than nine of 11 counties surveyed. Lastly, approximately one in every seven DEBS applicants (about 6,000 of 42,000) fails to show-up for their appointment.

As a result, of the relatively low application processing level and the high incidence of applicant "no-shows," DEBS incurs more than $1.1 million of overtime to complete applications for assistance, the backlog of applications amounts to a 23-day wait for an appointment, and about 15 of the 120 authorized Eligibility Worker III (Generic Intake) positions, costing about $1.6 million, are required to provide services to non-existent clients who fail to show-up for appointments.

By meeting and conferring with the Social Services Workers Union and adopting a workload standard consistent with other comparable counties, and discontinuing the practice of fully compensating workers 4.2 hours for "no-show" appointments, DEBS could reduce State, federal and County funded administrative processing costs related to applications for assistance by as much as $2.7 million annually.

Based on these findings, the Department of Employment and Benefit Services should:

3.1 Meet and confer with the Eligibility Workers' bargaining unit to establish a new caseload range for Generic Intake Workers. A range should be utilized in order to allow for the varying degrees of efficiency, experience, and motivation among workers and to recognize that case difficulty and therefore processing time varies by applicant. Based on reported average workload in the most populous counties, the range should be about 44 to 48 applications per worker per month. (Priority 1)

3.2 Based on implementation of Recommendation 3.1, the practice of habitual overtime for Generic Intake Workers should be eliminated since the need for overtime would be substantially reduced as a result of workers processing an average of 44 or more applications monthly. (Priority 1)

3.3 Eliminate 15 Eligibility Worker-III (Generic Intake) positions by eliminating some or all of the 14 Agency-wide Eligibility Worker-III vacancies. Remaining eliminations may be achieved through attrition. (Priority 1)

3.4 Cease the practice of giving workers full "case credit" for clients who do not show up for scheduled appointments. While credit should only be given for actual cases worked, the Department should grant a fractional credit for the effort required to cancel an application. (Priority 1)

3.5 Require the AAC, North County and South County to "overbook" intake appointments since there is an overall 14.8 percent "No-show" rate. The Department should develop a system to route clients to the next available Generic Intake Worker when a scheduled client does not arrive. (Priority 2)

By adopting a workload standard consistent with other comparable counties and discontinuing the practice of fully compensating 4.2 hours for "no-show" appointments, DEBS could reduce State, federal and County funded administrative processing costs by as much as $2.7 million annually. Additionally, the backlog of applicants waiting to be seen would be significantly reduced and the Department could achieve its goal of interviewing clients within three to five business days of initial application.

Section 4: Telephone-Based Food Stamp Assistance

The Food Stamp Program continues to be underutilized, particularly in California. According to the United States Department of Agriculture, only about 50 percent of eligible people in California received Food Stamp benefits in 2006. While California's participation rate for all eligible people increased by 2 percent between 2004 and 2006, it continues to rank at the bottom of all 50 states and the District of Columbia. In order to improve Food Stamp participation, some jurisdictions have established telephone-based assistance services for ongoing Food Stamp clients. These services reduce barriers for clients, such as lack of transportation or child-care, and conflicts between Food Stamp office hours and client work hours. A 2007 study of Food Stamp clients in New York City found that 80 percent of those who lost benefits at recertification did so due to procedural issues, rather than failing to meet income standards. This included 53 percent of clients whose cases were closed due to missed interviews.

The Department of Employment and Benefit Services operates a call center to serve continuing Medi-Cal cases, but has not yet expanded it to ongoing Non-Assistance Food Stamp clients. Although the federal government has waived the face-to-face interview requirement for the majority of Food Stamp clients at recertification, DEBS continues to conduct these interviews in-person, which requires approximately 58 more eligibility staff than a telephone-based system. Furthermore, by continuing with face-to-face interviews in most cases, the Department potentially creates barriers that prevent Food Stamp clients from remaining in the program.

The Department should establish a steering committee to develop a plan to shift to telephone-based assistance of ongoing Non-Assistance Food Stamp clients. The Department should also analyze caseload standards for continuing Eligibility Workers who remain at district and other offices and no longer serve these clients, and adjust the standards through labor negotiations to reflect the change in workload. A telephone-based system could permit eliminating an estimated 58 full-time eligibility positions, saving approximately $4.8 million on an ongoing basis. The General Fund portion of this savings would amount to about $334,000 annually. Furthermore, if this system boosted Food Stamp participation in the County, significant additional ongoing revenue could be generated.

Based on these findings, the Department of Employment and Benefit Services should:

4.1 Establish a steering committee to develop a plan, with a timeline in addition to staffing and facility requirements, to transition from the traditional approach of handling continuing Non-Assistance Food Stamp cases at district and other offices to the call center approach. (Priority 1)

The Department has already implemented this recommendation.

4.2 Analyze the caseload standards of continuing Eligibility Workers who remain at district and other offices and no longer handle Non-Assistance Food Stamp cases, and adjust the standards through labor negotiations to reflect the change in workload. (Priority 2)

By implementing the recommendations above, the Department could potentially eliminate at least 58 full-time eligibility positions. Since this would include a mixture of Eligibility Work Supervisor and Eligibility Worker II positions, the total ongoing savings from the reduction is estimated at approximately $4.8 million. However, because these positions generate revenue from federal and state sources, the General Fund savings is estimated at about $334,000 annually. At the same time, expanding the existing call center to accommodate Food Stamp only cases could require some one-time costs for retro-fitting facilities or purchasing equipment to accommodate staff who transfer from district offices.

A major benefit of implementing the recommendations would be to reduce potential barriers experienced by those who work during Food Stamp office hours, lack transportation, or lack child care services. They would also help to prevent clients from "falling off" or losing benefits at recertification. Furthermore, if providing telephone-based assistance boosted Food Stamp participation in the County, significant additional ongoing revenue could be generated. Expansion of the existing call center to handle both Medi-Cal and Food Stamp only cases might also assist with improving morale in the Department, as more employees would be assigned to this area.

Section 5: Triage of General Assistance Applications

Federal regulations require Food Stamp applicants in certain circumstances to receive eligibility determination and benefits within three days after applying. Because the normal wait for General Assistance (GA) eligibility interviews is several weeks, the Department of Employment and Benefit Services employs a triage process to review (GA) applications to receive these expedited services.

However, procedures for this review process are insufficient, in terms of providing guidance for determining which applicants should receive expedited services. As a result, these decisions may not be consistent, and the Department risks being unable to defend these decisions if they are reviewed by State or federal officials.

By developing more detailed procedures for the triage process, including providing a more detailed written basis for its decisions, the Department would be able to defend its triage process, and ensure that applicants appropriately receive expedited services on food stamp and General Assistance applications when justified.

Based on these findings, the Department of Employment and Benefit Services should:

5.1 Create more detailed procedures for the triage evaluation of Food Stamp applications, including what forms applicants must fill out, how the Triage Eligibility Worker should evaluate the information provided, and what supplemental questions the worker should ask to determine which applicants are eligible for expedited services. (Priority 3)

5.2 Redesign the existing Triage Screening Sheet to provide coded boxes that can be used to indicate reasons why an applicant was rejected for expedited services. (Priority 3)

By implementing the recommendations of this section, the Department will ensure that decisions as to whether Food Stamp applicants are eligible for expedited services are reasonable and properly documented, so they could be defended if they are questioned in an audit or other proceeding. These procedures should be developed by intake staff who participate in the triage process in conjunction with GA managers. New forms could be instituted over time as stocks of the existing forms are exhausted, in order to prevent waste of the existing forms.

Section 6: Public Assistance Fraud Referrals

Public assistance fraud is a State-wide problem as documented by the California Department of Social Services in annual reports of actual fraud activity by county. Although concern over the level of fraud investigation and enforcement in the County of Santa Clara was raised in recent years, State reports continue to show a relatively low level of reporting and enforcement in the County.

In FY 2007-08, the State-reported number of fraud referrals as a percentage of total applications received was 1.5 percent in Santa Clara County, compared to a weighted average of 4.6 percent among peer counties. In addition, the variance in the reporting of public assistance fraud between staff in DEBS ranged from more than 50 staff who reported only one or no fraud cases in FY 2007-08 to 15 staff who each reported 10 to 29 cases of fraud.

Consequently, the identification and reporting of public assistance fraud in the County is inconsistent and the County may be experiencing a large amount of public assistance fraud that is going undetected and unreported.

By implementing improved comprehensive, on-going training, enhancing existing public assistance fraud policies and procedures, and periodically reporting the results of prior investigations and prosecution, DEBS can increase the identification of fraud and the recovery of State, federal and County tax monies to levels consistent with the actual incidence of fraud in the County.

Based on these findings, the Department of Employment and Benefit Services should:

6.1 Provide staff with comprehensive, ongoing public assistance fraud training focused on the importance of recognizing and reporting instances of potential fraud, and including periodic reporting of the results of prior investigations and prosecution. (Priority 1)

6.2 Develop and implement improved training and public assistance fraud identification and reporting policies and procedures. (Priority 1)

6.3 Review and adjust Investigator staffing on an annual basis in accordance with changes in the volume of public assistance fraud referrals and the related savings realized. (Priority 2)

The implementation of these recommendations would result in an increase in the number of fraud referrals and a more consistent rate of referral among DEBS staff. Depending on the staff resources provided to the District Attorney's Public Assistance Fraud Division, DEBS could realize significant ongoing savings of State, federal and County monies.

Section 7: Department Span of Control

The Department of Employment and Benefit Services (DEBS) currently has a span of control of 7.6 staff per supervisor, which is slightly higher than the ratio in the Social Services Agency (SSA) as a whole but significantly lower than the ratio County-wide. For all departments in the County, the span of control is 10.2 staff per supervisor in FY 2008-09. Further, approximately 60 percent of the Department's major bureaus or offices do not meet or exceed the Department or SSA ratio of staff per supervisor. Despite the low span of control in DEBS, supervisors have difficulty monitoring all of the management reports that are available on a regular basis because many of them are long and do not provide summary information.

According to organizational management theory, a low span of control can reduce the efficiency and productivity of organizations, such as DEBS, by distorting information as it flows through the organization; contributing to slow, ineffective decision-making and action; fostering increased functional walls and "turf games"; placing a greater emphasis on controlling the bureaucracy rather than on customer service; contributing to higher costs due to the number of managers and support staff; and resulting in less responsibility assumed by subordinates for the quality of their work.

Based on a survey of all DEBS employees, approximately 38 percent of respondents disagreed that morale in the Department is generally high, and approximately 37 percent disagreed that morale in their office or bureau is generally high. The level of disagreement with these statements by office or bureau reached as high as three-quarters of responding employees. In comparison, at only five of 17 offices or bureaus did less than a fifth, or 20 percent, of responding employees disagree. A large percentage of responding employees in several locations also disagreed with the statement that the quality of communication between managers and staff is good.

Increasing the span of control and developing more useful management reports would help improve employee morale, communication with management and the Department's overall efficiency and effectiveness. At a minimum, the Department should reduce the number of supervisors by eight full-time positions, or nearly 25 percent of the reduction that would be needed to achieve the County-wide ratio, for a total ongoing savings of approximately $920,000. Because the positions are funded with revenue from state, federal or other sources, the General Fund savings that would result from this reduction is estimated at about $50,000 annually.

Based on these findings, the Department of Employment and Benefit Services should:

7.1 Increase its span of control by eliminating at least eight full-time supervisor positions, thereby achieving a ratio of approximately 8.3 staff per supervisor. In eliminating supervisor positions, the Department should target units with a span of control of 6.0 or fewer staff per supervisor. For units that handle benefits, the reduction should aim to maintain a span of control of no more than 8.0 staff per supervisor in intake units and at least 8.0 staff per supervisor in continuing units. (Priority 2)

7.2 Re-examine and adjust the span of control to maintain a ratio of approximately 8.3 staff per supervisor with the elimination of the 15 full-time Eligibility Workers recommended in Section 3, or any other staff positions in the current or a future fiscal year. (Priority 3)

7.3 Develop reports in Business Objects that provide summary information on useful indicators of eligibility staff performance and productivity, including but not limited to the following:

A. Intake workers – number of applications assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, and average number of days assigned to an application; and,

B. Continuing workers – number of cases assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, percent of re-determinations overdue, percent of periodic reports not processed, and number of cases discontinued. (Priority 2)

7.4 Determine whether any of the new indicators should become a dashboard measure as part of the Department's performance based budgeting. (Priority 2)

The Social Services Agency should:

7.5 Review the span of control in every other department in the Agency and require departments with a span of control of less than 8.0 staff per supervisor to reduce the number supervisors. (Priority 3)

The Office of Budget and Analysis should:

7.6 Calculate the span of control for individual departments in the Social Services Agency as part of its annual span of control analysis. (Priority 3)

By increasing the span of control, DEBS would save an estimated $920,000 on an ongoing basis, of which about $50,000 would be direct savings to the General Fund. A larger span of control would also help to address the morale and communication problems within the Department by forcing supervisors to delegate work, establish clear policies and procedures, and carefully select subordinates. Developing summary reports in Business Objects would also help eligibility supervisors to quickly and accurately ascertain the performance and productivity of their workers. There may also be an opportunity to increase the span of control in other SSA departments, thereby generating additional savings for the County and improved attitudes and behavior among staff.

Each of the recommendations listed above could be implemented using existing staff and resources.

Section 8: Sick Leave Usage and Morale

The Department of Employment and Benefit Services (DEBS) has a high absentee rate. Compared to the County-wide average, DEBS employees take an average of 25 percent more sick leave. The average number of sick hours taken in FY 2007-08 amounted to more than 91 hours for DEBS employees, and just 74 hours for all employees in the County. The absentee rate in the General Assistance (GA) Eligibility Unit is particularly high. In FY 2007-08, the average employee in GA Eligibility took approximately 104 hours of sick leave, or nearly 13 days.

In addition, approximately 51 percent of sick leave taken by DEBS employees is adjacent to a holiday or weekend, indicating potential morale problems. The Management Audit employee survey of DEBS employees found that nearly 40 percent of employees feel morale in the department is not high.

Based on payroll data, the County paid DEBS employees approximately $2.9 million for the 104,408 hours lost to sick leave in FY 2007-08. Reducing these lost work days by 25 percent, to a total sick leave closer to the County-wide average, would increase the Department's productivity, an opportunity cost savings of approximately $740,000 annually.

The Social Services Agency should thus establish a formal policy and procedure on the use of sick leave in accordance with leave provisions in the County's labor agreements, and DEBS should develop programs that reward employees for reducing their use of sick leave. An incentive that would not create an immediate cost, but could have a significant impact, would be to convert unused sick leave to retirement credit. By reducing absenteeism, DEBS could increase productivity and potentially improve employee morale.

Based on these findings, the Social Services Agency should:

8.1 Establish a formal policy and procedure on the use of sick leave in accordance with leave provisions in the County's labor agreements, including the requirement that employees present a physician's statement describing the reason(s) for the use of sick leave with pay that extends beyond three consecutive working days. (Priority 1)

The Employee Services Agency should:

8.2 Report on the costs, benefits and requirements of providing all County employees with the added benefit of converting portions of unused sick leave to retirement credit. (Priority 1)

8.3 Develop programs that reward employees for reducing their use of sick leave. This could include providing rewards in the form of retirement credit, compensatory time off, and/or employee recognition. Approval and implementation of any proposed program would require approval of the Board of Supervisors. (Priority 1)

The Department of Employment and Benefit Services should:

8.4 Develop programs that recognize employees for exhibiting positive behavior, such as outstanding customer service, high performance, or innovative workload management. (Priority 2)

8.5 More closely monitor the use of sick leave by division and across the Department in order to determine changing patterns, such as increased or decreased usage compared to the County-wide average or sick leave usage adjacent to holidays and weekends, and direct supervisors to note excessive sick leave usage as part of the performance evaluations recommended in Section 9. (Priority 2)

The costs to the Department in extensive sick leave are high. The Controller-Treasurer Department estimates that salary and mandatory fringe benefit costs for the 104,408 hours of sick leave taken by DEBS employees in FY 2007-08 total over $2.9 million. Reducing these lost work days by 25 percent would increase the Department's productivity, an opportunity cost savings of approximately $742,133 annually. Potential costs of implementing incentive and employee recognition programs would be offset by savings in the decreased use of sick days and overtime pay related to the backfilling of sick days.

Section 9: Staff Training and Performance Reviews

In FY 2007-08, approximately 47 percent of Department employees attended less training than the average County employee, and most of the training was limited to function-related topics, such as CalWIN and MEDS. The lack of training could be addressed through performance evaluations. However, such evaluations are not being conducted on an annual basis as allowed by the County Ordinance and labor agreements. The Department also lacks a formal written policy and procedure detailing how performance evaluations are to be conducted. Further, nearly 50 percent of surveyed employees indicated that they do not feel promotions are awarded fairly within the Department.

Because staff are receiving limited training and are not being evaluated annually, the Department is failing to help staff develop new skills and improve their performance. Without routine and comprehensive performance reviews, employees also may not be aware of whether they qualify for upcoming promotional opportunities, which can result in feelings of resentment toward seemingly unfair promotion practices.

Performance evaluations should be conducted annually (and in accordance with labor agreements) to improve the quality and consistency of staff performance and to ensure that the public receives quality service. Through this process, training needs can be better identified and opportunities for promotions can be discussed. Training should also be provided in the areas requested by staff, including professional development, stress management and diversity training.

Based on these findings, the Department of Employment and Benefit Services should:

9.1 Provide more training and online training in the areas requested by staff, including interoffice relations/professional development, worker efficiency and customer service. (Priority 3)

9.2 Follow through with implementing the Learning Management System to allow for the accurate and thorough record keeping of training provided to employees. (Priority 3)

9.3 Conduct performance evaluations on an annual basis in accordance with the requirements of labor agreements, and include a discussion of training and development, as well as promotional opportunities, during all evaluations conducted. (Priority 3)

The costs of recommendations 9.1 and 9.2 would be sustained in the form of staff time to develop and extend training to better match employee needs. There would be no new direct costs for implementing recommendation 9.3, though it would require staff time to establish a formal performance review process. The costs of such are minimal, and the benefits of an employee evaluation system would provide consistency across the Department and provide employees with better feedback on their performance.

Introduction

This *Management Audit of the Department of Employment and Benefit Services of the Social Services Agency* was authorized by the Board of Supervisors of the County of Santa Clara as part of the County's Fiscal Year 2007-08 Management Audit Program, pursuant to the Board's power of inquiry specified in Article III, Section 302(c) of the Santa Clara County Charter. The Board of Supervisors selected the audit topic after considering the annual County-wide audit risk assessment conducted by the Management Audit Division in accordance with Board direction.

Purpose and Scope

The purpose of the management audit was to examine the operations, management practices and finances of the Department of Employment and Benefit Services, and to identify opportunities to increase the Department's efficiency, effectiveness and economy. Due to the size of the Department, an audit work plan was developed that focused on the programs and functions funded with General Fund monies.

As part of this management audit, the Management Audit Division conducted more than 70 survey and fieldwork interviews with managers, supervisors and line staff in all portions of the Department of Employment and Benefit Services. These interviews in many cases included direct observation of staff as they conducted their regular duties. We also reviewed procedure manuals maintained by the Department, internal reports prepared by the Department, and information on databases maintained by the Department, including the CalWORKs Information Network (CalWIN) system and other Department systems. We also conducted a survey, responded to by eight of the 10 largest California counties, excluding Santa Clara County, in order to identify key differences in practices in those counties versus Santa Clara County.

It should be noted that initial work on this audit began on January 28, 2008, and a draft report was completed on December 23, 2008. However, work on the audit was interrupted on two occasions by direction of the Board of Supervisors. First, work on the audit stopped on approximately May 1, 2008, through approximately June 15, 2008, to conduct a review of the County Executive's Recommended Budget for the Board. Immediately following completion of that budget review, and as a result of the County Executive's estimates of significant budget deficits in Fiscal Year 2009-10 and beyond, the Board directed the Management Audit Division to complete a new version of the Mandate Study, assessing County departments' use of General Fund subsidies and flexibility to absorb reductions in their programs. This report, and selected follow-up work from it, was completed on approximately September 30, 2008. At that point, work on this audit resumed, leading to completion of the draft audit report.

In addition, as a result of a key finding regarding the County's ability to obtain Medi-Cal eligibility for some DEBS beneficiaries by qualifying them for Supplemental Security Income status through the Social Security Administration, we contacted various units within the Santa Clara Valley Health and Hospital System to identify procedures used to seek reimbursement of health care costs for such clients, and to

determine the extent of additional reimbursement that may be available. While the Management Audit Division seeks to focus its work on the auditee and its operations, the inter-relatedness of County departments occasionally requires audit findings to consider other departments and include recommendations to improve the overall effectiveness of County operations.

This report identifies nine findings that encompass major areas of Department operations. Included are findings related to achieving additional reimbursement of health care costs for aid recipients who become eligible for Supplemental Security Income benefits, steps to increase the number of applicants made eligible for SSI, efficiencies in the Food Stamp application process that would permit staff reductions, potential staff savings in the CalWORKS applications process, improvements in the General Assistance application process to meet federal requirements, and improvements in organizational structure, training and monitoring of sick leave.

The report identifies approximately $4.4 million in one-time and ongoing potential revenues, and $8.4 million of gross expenditure savings. These potential savings and revenues include General Fund monies and State and federal reimbursements, with the General Fund benefit totaling $4.8 million.

Audit Methodology

This management audit was conducted under the requirements of the Board of Supervisors Policy Number 3.35 adopted June 26, 2001. That policy states that management audits are to be conducted under generally accepted government auditing standards issued by the United States Government Accountability Office. In accordance with these requirements, we performed the following management audit procedures:

Audit Planning—This management audit was selected by the Board of Supervisors using a risk assessment tool and estimate of audit work hours developed at the Board's direction by the Management Audit Division. After audit selection by the Board, a detailed management audit work plan was developed and provided to the Department.

Entrance Conference—An entrance conference was held with the Social Services Agency Director, the Director of the Department of Employment and Benefit Services, and Department managers to introduce the management audit team, describe the management audit program and scope of review, and respond to questions. A letter of introduction from the Board, a management audit work plan, and a request for background information were also provided at the entrance conference.

Pre-Audit Survey—A preliminary review of documentation and interviews with managers from the involved departments were conducted to obtain an overview understanding of the Department of Employment and Benefit Services, and to isolate areas of operations that warranted more detailed assessments. Based on the pre-audit survey, the work plan for the management audit was refined.

Field Work—Field work activities were conducted after completion of the pre-audit survey, and included: (a) interviews with management and line staff of the Department (more than 70 interviews overall), including observations of staff on the job; (b) a further review of documentation and other materials provided by the Department and available from other sources, including academic research; (c) analyses of data collected manually and electronically from systems maintained by the Department or elsewhere in the County, including the aforementioned data related to potential additional Medi-Cal reimbursements for DEBS clients; and, (d) surveys of other jurisdictions to measure performance and to determine organizational and operational alternatives that might warrant consideration by the County of Santa Clara.

Draft Report—On December 23, 2008, a draft report was prepared and provided to the Department of Employment of Benefit Services management to describe the study progress and provide general information on our preliminary findings and conclusions.

Exit Conference—An exit conference was held with the Department managers to collect additional information pertinent to our report, to obtain their views on the report findings, conclusions and recommendations, and to make corrections and clarifications as appropriate. Following the exit conference, a revised draft with any corrections was provided to the Department for its use in preparing its formal written response.

Final Report—A final report was prepared following the exit conference. The Department was requested to provide a written response to the report, which is attached to the final report.

Description of the Department of Employment and Benefit Services

The Department of Employment and Benefit Services (DEBS) provides low income individuals and families with access to health, financial, nutritional and employment assistance. Its mission is to transition public assistance recipients to employment and eventual self-sufficiency, while providing them assistance during that transition. DEBS is one of four departments that make up the Social Services Agency.

Revenues and Expenditures

For Fiscal Year 2008-09, the Department's expenditure budget totals $272.7 million, according to the Final Budget. The FY 2008-09 Mandate Study identifies General Fund subsidies for the Department totaling approximately $16 million. The vast majority of Department costs are reimbursed by State and federal sources related to public assistance programs.

Caseload

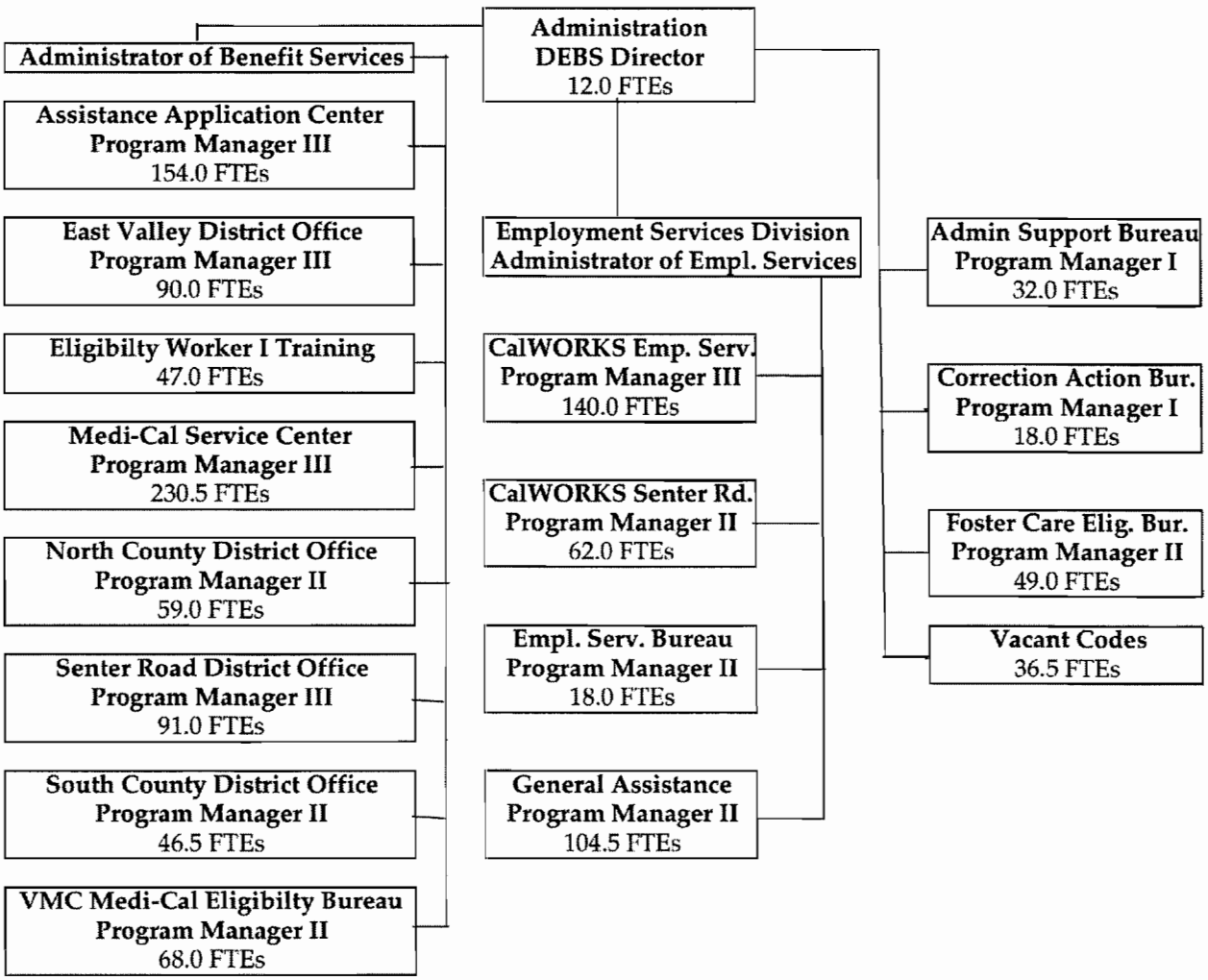
As of October 1, 2008, the most recent information available, DEBS was providing services to 124,372 public assistance cases involving 260,854 individuals, including families receiving various types of aid under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, individuals receiving Food Stamps, individuals receiving Medi-Cal, refugees receiving various forms of aid, and

individuals receiving cash assistance through the County-funded General Assistance Program.

Organizational Structure

The Department of Employment and Benefit Services consists of 16 functional units comprising 1,258.0 positions based on organizational charts provided in April 2008. The units and positions are divided and have reporting relationships depicted in the organizational chart below.

Organization of the Department of Employment and Benefit Services



Units are primarily staffed by eligibility workers who are responsible either for initially determining an applicant's eligibility for benefits, a process known as intake, or for ongoing monitoring of cases for current aid recipients. Eligibility workers are supported by clerical staff in various classifications. There are also other classifications, such as Eligibility Examiners and Social Workers, who provide specialized functions within the

Department. Descriptions of the DEBS bureaus and offices, with their staffing and functions, is as follows:

Administration and Support Functions

- **Administration** – 12.0 FTE positions including the Director and Administrator of Benefit Services and various other administrative and support staff that manage and administer client services.

- **Administrative Support Bureau** – 32.0 FTE positions including a Social Services Program Manager I, the Income Eligibility Verification System (IEVS) Unit, which receives information used to monitor cases against welfare fraud, an Appeals Unit to represent the Department in disputes with recipients regarding case actions, and a unit of clerical staff.

- **Corrective Action Bureau** – 18.0 FTE positions including a Social Services Program Manager I, clerical staff and Eligibility Examiners who review current and completed cases to ensure compliance with state and federal requirements, as well as audit findings, and implement corrective action strategies.

- **Foster Care Eligibility Bureau** – 49.0 FTE positions including a Social Services Program Manager II, an Intake Unit, three Continuing Units, a Child Development Program Unit, and a unit of clerical staff. The purpose of this unit is to make sure foster families eligible for public assistance receive it, paralleling staff in the Department of Children and Family Services that are responsible for arranging and monitoring placements of children into foster care.

Benefit Services Functions

- **Assistance Application Center** – 154.0 FTE positions including a Social Services Program Manager III, two Social Services Program Manager I, 12 Intake Units that are responsible for determining whether clients are eligible for CalWORKs cash aid, Food Stamps and Medi-Cal, and two units of clerical staff.

- **East Valley District Office** – 90.0 FTE positions including a Social Services Program Manager III, nine Continuing Units, and a unit of clerical staff. This office monitors ongoing CalWORKs cases in a defined geographic area.

- **Eligibility Worker I Training** – 47.0 FTE positions including a class of generic Eligibility Worker trainees and a class of Medi-Cal Eligibility Worker trainees. This unit is responsible for training new eligibility workers.

- **Medi-Cal Service Center** – 230.5 FTE positions, including a Social Services Program Manager III, two Social Service Program Manager I, 25 units of Eligibility Workers who handle the call center and case management related to continuing Medi-Cal cases, and two units of clerical staff. This center serves clients who are eligible for Medi-Cal health coverage for themselves and their children, but do not require food stamps or other assistance, typically because

they are working, do not have other health insurance, and have incomes low enough to qualify for Medi-Cal coverage.

- **North County District Office** – 59.0 FTE positions including a Social Services Program Manager II, three Continuing Units, two Intake Units, and a unit of clerical staff. This office is responsible for determining initial eligibility for CalWORKs and ongoing monitoring of CalWORKs cases in a defined geographic area of northern Santa Clara County.

- **Senter Road District Office** – 91.0 FTE positions including a Social Services Program Manager III, nine Continuing Units, and a unit of clerical staff. This office is responsible for ongoing monitoring of CalWORKs cases in a defined geographic area.

- **South County District Office** – 46.5 FTE positions including a Social Services Program Manager II, two Intake Units, two Continuing Units, and a unit of clerical staff. This office is responsible for determining initial eligibility for CalWORKs and ongoing monitoring of CalWORKs cases in a defined geographic area of southern Santa Clara County.

- **VMC Medi-Cal Eligibility Bureau** – 68.0 FTE positions including a Social Services Program Manager II, six Intake Units, and a unit of clerical staff. This unit is responsible for obtaining Medi-Cal health insurance coverage for eligible recipients who enter the County health care system via Santa Clara Valley Medical Center.

Employment Services Functions

- **CalWORKs Employment Services (CWES)** – 140.0 FTE positions including a Social Services Program Manager III, two Social Service Program Manager I, an Employment Program Manager, five Continuing Units, four Employment Connection Centers, a unit that is responsible for post-aid cases, and two units of clerical staff. The purpose of this program is to assist CalWORKs recipients in getting off aid by finding employment.

- **CalWORKs Senter Road Office** – 62.0 FTE positions including a Social Services Program Manager II, the CWES North County Unit, an Assessment Unit, two CWES Intake Units, an Administrative Services Unit, a Social Work Unit, and a unit of clerical staff.

- **Employment Services Bureau** – 18.0 FTE positions including an Administrator of Employment Services, a Social Services Program Manager II, the Employment Support Initiative (ESI) Planning Unit, the Planning Refugee Unit, and the Audit Unit.

- **General Assistance (GA) Program** – 104.5 FTE positions including a Social Services Program Manager II, seven Intake and Continuing Units, a Supplemental Security Income (SSI) Advocacy Unit, a Vocational Services Unit,

and a unit of clerical staff. This unit, located in offices at Las Plumas Avenue and King Road, determines eligibility and provides ongoing case monitoring for recipients of General Assistance, which provides cash loans and food stamps for residents, usually single adults, who are not eligible for other types of aid. The Vocational Services Unit assists recipients in trying to get employment, and provides job search training and public works projects for recipients to participate in until they find regular employment, and as a means of repaying their cash assistance. The Supplemental Security Income Advocacy Unit assists eligible recipients in qualifying for federal disability benefits, which are higher than General Assistance benefits, include Medi-Cal eligibility, and result in federal reimbursement of General Assistance cash aid the County provides to recipients. Although this program provides benefits to recipients, for span-of-control purposes it is assigned to the administrator of employment services functions for management purposes.

Department of Employment and Benefit Services Accomplishments

Management audits typically focus on opportunities for improvements within an organization. To provide a more balanced perspective on operations, Section 8.48 of the Government Auditing Standards, 2007 Revision, published by the United States Government Accountability Office, requires that the management audit report include "positive aspects of the program reviewed." This section of the Introduction thus summarizes some of the current noteworthy achievements of the Department of Employment and Benefit Services.

In order to permit the Department to highlight accomplishments that it fees are the most noteworthy, Management Audit Division staff requested and received a list of accomplishments from the Department. While the entire list is included with the report as Attachment I.1, a selection of the accomplishments is provided below:

- Established a new performance leadership model. **DEBS: A New Beginning** incorporates the DEBS vision, a statement of guiding values and performance mandates into a coherent framework for building productive working relationships and achieving outcomes.

- Initiated a monthly **DEBS Management Team Forum** to foster leadership development in the management ranks. The objectives that have been met include: 1) greater collaboration that promoted cooperative goals, 2) a higher level of personal effectiveness of each manager by sharing authority and discretion with them, and 3) appreciations for management contributions are routinely recognized in a climate of celebration.

- Formed the **CalWIN Support Initiative: Eligibility Work Supervisor** project to increase staff competence and confidence in meeting the new demands of working in the CalWIN e-case environment. Managers and EW Supervisors worked together in teams to proactively design solutions that allowed them discretion and choice.

- Initiated planning of the **CalWIN Skills Assessment and Development Plan** to reengineer the unit Supervisors' direct oversight responsibilities through a report-based performance review criteria that reflects the new demands of working in the CalWIN e-case environment.

- Created the **Data Integrity Steering Committee and DEBS Performance Dashboard** to support a systematic process for reviewing data reports on a monthly basis to monitor key program indicators and goals, and delegate issues to appropriate workgroups for follow-up as necessary. Examples of progress made to meet established targets are:

  - 50 percent decrease in overdue CalWORKs and Food Stamps redeterminations.

  - 100 percent of all Medi-Cal and Food Stamp Performance Standards met.

  - 22 percent decrease in cases in control.

  - Food Stamp error rate was within the Federal tolerance level, thereby avoiding a financial sanction.

  - More than 758 CalWORKs clients obtained employment with an average wage of $11.31 per hour.

  - More than 1,500 CalWORKs clients enrolled into an education and training program.

  - Served a record 400 young families to stay in school through the Cal-Learn program.

- Initiated the **Work Participation Steering Committee**, a cross-functional team of leaders in Employment Services and Benefits who established innovative ventures to make progress towards meeting the Work Participation Rate (WPR) goal. In statewide data released by CDSS in 2008, Santa Clara County's WPR ranked among the top 5 percent of counties and third among the larger California counties.

- Coordinated with other SSA departments on the **Clerical Business Process Improvement** project. DEBS successfully implemented and/or piloted the centralization of two major clerical business processes. Both increased efficiencies and effectiveness in those areas.

- Consolidated and relocated **CalWORKs Employment Services** into one centralized center, along with staff from various partner agencies that jointly provide services to CalWORKs participants.

- Collaborated with the Board of Supervisors office and community partners to participate in **Destination Home**, an innovative program in which two One-Stop

Homelessness Prevention Centers have been opened to help prevent homelessness by connecting people in need with appropriate services and housing opportunities. DEBS co-located four Social Workers to assist clients with SSI applications.

- Launched the **Food Stamps Outreach** project in collaboration with various community partners, who screen chronically homeless and working poor individuals for potential eligibility to benefits, and expedite referrals to DEBS for an eligibility determination. This program has served more than 100 people. We are now discussing how to utilize the food stamp face-to-face waiver to reach more clients.

- Improved internal operations by streamlining **Refugee Services**, serving approximately 370 refugees. In cooperation with our community partners more than 50 percent of these families were able to secure employment within one year.

- Implemented a new **transitional subsidized employment program** for CalWORKs clients who are approaching their last 12 months on aid. Employment positions are limited to 20 hours per week for three to six months. This paid work experience is integrated with other services such as intensive job search, which supports the goal of unsubsidized employment.

Topics Requiring Additional Review

Some issues identified during a management audit either are not of sufficient significance to warrant the preparation of a separate finding, or cannot be funded in a cost-neutral way at this time. In such cases, these lesser or unfunded issues are reported in the Introduction so that the auditee is apprised of the issue and can take appropriate action, based on its own assessment. The Management Audit Division identified two such issues, which are reported below.

Eligibility Examiner (Appeals) Salaries

The Eligibility Examiner classification includes personnel in the Appeals Unit, Quality Control Unit, and Eligibility Recovery Unit. The Eligibility Examiners in these units perform work requiring deep and broad knowledge of the various public assistance program policies and regulations, strong analytical skills, and the ability to communicate complex matters effectively in written and oral formats.

The Appeals Unit's Eligibility Examiners perform legal analysis and serve as the sole representative of the County's interest in appeals hearings before regional administrative law judges. They "investigate and negotiate appeals," and are "expected to act as 'Custodian of Record' when required." These Eligibility Examiners must possess skills and attributes above and beyond those required to do the regular client-facing intake and continuing functions. The Department reports that five of the 10 staff in the Appeals Unit possess bachelor's degrees, four of whom also hold master's

degrees, and one holds another type of post-secondary certification. Others report that they are working towards college degrees.

However, this substantial work difference is not reflected in Eligibility Examiner pay. Staff report frustration that "Generic" Intake Eligibility Workers (EW III) earn a higher salary, with the 7.5 percent pay differential they receive, than the Eligibility Examiners. The Management Audit Division was able to gather comparative data from nine of the 10 most populous counties in the State. All of those nine pay Appeals Unit line staff more than the highest level of line Eligibility Worker. Furthermore, in at least five of those counties, the line Appeals staff earn a higher salary than the Supervisory level Eligibility staff.

Staff report frustration with the perceived mismatched salaries. As reported in the Staff Survey, five of nine disagreed with statement "my salary is appropriate for my job duties and responsibilities". While staff in the unit appear to possess a high level of pride in work, the Department reports that morale is low and staff turnover high, with many staff moving on to higher paying jobs within the Social Services Agency or to Appeals Units in other counties.

The Board of Supervisors should direct the Employee Services Agency to review the suitability of Eligibility Examiner salaries, particularly those in the Appeals Unit. Based on the information available during the Management Audit Division's review, it may be appropriate to raise Appeals Unit salaries in accordance with the higher-level skill required to do the work and to reflect relative equity within the Department.

Foster Care Files

The purpose of the Foster Care Program is to provide financial assistance for children who are in need of substitute parenting and have been placed in out-of-home care. Some of these children are eventually adopted by a caregiver or family member. The California Department of Social Services requires that the personal case files associated with these children be stored in a secure location since they contain particularly sensitive information that is confidential. Title 22, Division 6, Chapter 9, Item Number 89164(6) of the Manual of Policies and Procedures for Adoption Agencies states, "Adoption case records shall be maintained in locked files in the agency."

However, due to the geographic location of the files within the Julian Street office building in relation to the location of Adoption Eligibility Workers, the filing cabinets in which adoption case records are stored remain open and unlocked throughout the day. According to Foster Care staff, Adoption Eligibility Workers do not keep their assigned case files at their own desk, due to the small size of their workspace and large volume of files. Files are thus stored in a more centralized location on the Foster Care floor at Julian, yet that requires the filing cabinets to be left open throughout the day (and sometimes evenings), so that workers can easily access and return files. This is a liability since it is not uncommon for non-DEBS employees to be walking the halls near these files. In fact, problems have occurred over the last year, and files have been reported as "missing". Staff report that as many as 15 adoption case files have gone missing from

the cabinets at some point throughout the year. Some files were eventually located, yet some remain missing.

To address these problems and comply with State requirements, the Foster Care Program should re-evaluate the current layout of staff in relation to confidential case files and find a way to allow Adoption Eligibility Workers to access case files while keeping the files secure. Cases should not be accessible to those unaffiliated with the Foster Care Program, particularly non-DEBS employees who may be in the halls of the Julian Street office.

DEBS Staff Survey

As part of the management audit process, the auditors interviewed most managers, a sample of supervisors and some line staff within the Department of Employment and Benefit Services (DEBS). Because we were unable to interview all staff, the Management Audit Division conducted an online survey to obtain additional input from DEBS staff on a variety of topics, including areas such as training, morale, and technical support. A link to the survey was sent to all DEBS employees directly by DEBS Administration at our request. Responses were submitted by 240 DEBS employees within the three-week deadline.

When appropriate, information from the surveys has been included in various sections of the audit report. It should be noted that the survey responses contain self-reported information, and the Management Audit Division did not verify the accuracy of the reported information. A summary of the staff survey responses is attached to the end of this section as Attachment I.2. Copies of the full response (excluding identifying information) are available upon request.

Highlights from the staff survey response include:

- Over 75 percent of DEBS employees believe the Department is accomplishing its mission.
- In a response to the statement "Morale in the Department is generally high," over 35 percent of employees disagreed.
- Nearly half of DEBS employees feel their salary is not appropriate for their job/ responsibilities.
- Only 60 percent of employees feel they are recognized for their performance.
- Nearly 40 percent of DEBS staff reported they do not feel their workload is comparable to staff in other offices or bureaus.
- Sixty-one percent of employees reported that the quality of communication between managers and staff is good, whereas 36 percent of employees disagreed.

Survey of Other Jurisdictions

To gain an understanding of distinctions and similarities between the Department of Employment and Benefit Services and parallel organizations in other counties, we developed a survey and solicited responses from the 10 largest California counties, from other counties DEBS staff suggested would be good comparisons, and from DEBS. The eight counties that responded to the survey were Alameda, Contra Costa, Fresno, Orange, Sacramento, San Bernardino, San Francisco and Ventura.

When appropriate, information from the surveys has been included in various sections of this report, or elsewhere in this Introduction. It should be noted that the survey responses contain self-reported information. The Management Audit Division did not verify the accuracy of the reported information. A summary of survey responses from each jurisdiction is included as Attachment I.3. Copies of the full response from each jurisdiction are available upon request.

Highlights from the survey responses include:

- In three counties, intake Eligibility Workers receive credit toward monthly caseload standards for intake appointments where clients fail to show up. This is also the policy for CalWORKs intake workers in Santa Clara County, but not for other programs. In the other five counties, there are either no caseload standards, or intake workers do not receive credit toward the standard for no-show clients.

- Counties provide a variety of incentives for workers to limit use of sick leave. Sacramento and San Bernardino counties permit a portion of unused sick leave to be converted to vacation time. Alameda and Contra Costa counties permit unused sick leave to be converted to additional service time for retirement calculation purposes. Ventura County has an employee recognition program for employee attendance. Fresno County combines sick leave and vacation time into a single leave type. Santa Clara County provides no incentives for employees to limit sick leave use. All counties have recognition programs for outstanding employee performance.

- Every county other than Santa Clara County provides annual performance evaluations for seven categories of social services staff. Sacramento County is implementing an automated performance evaluation system in FY 2008-09. Although the County's labor agreements permit formal performance evaluations to be conducted, such evaluations are not currently being conducted for DEBS staff.

- Four counties, including Santa Clara County, operate call centers allowing applicants to quickly apply for certain types of aid or request information. Santa Clara County's center is specific to Medi-Cal. The most extensive call center is in Alameda County, which handles all types of public assistance cases.

- Three counties permit General Assistance applicants to wait on a "stand-by" basis to meet with any available eligibility worker for an eligibility interview. Santa Clara County offered this option at one time, but discontinued it during the course of this audit.

- Six counties provide district offices to receive General Assistance applications, whereas Santa Clara County has a single office.

Recommendation Priorities

The priority rankings shown for each recommendation in the audit report are consistent with the audit recommendation priority structure adopted by the Finance and Government Operations Committee of the Board of Supervisors, as follows:

Priority 1: Recommendations that address issues of non-compliance with federal, State and local laws, regulations, ordinances and the County Charter; would result in increases or decreases in expenditures or revenues of $250,000 or more; or, suggest significant changes in federal, State or local policy through amendments to existing laws, regulations and policies.

Priority 2: Recommendations that would result in increases or decreases in expenditures or revenues of less than $250,000; advocate changes in local policy through amendments to existing County ordinances and policies and procedures; or, would revise existing departmental or program policies and procedures for improved service delivery, increased operational efficiency, or greater program effectiveness.

Priority 3: Recommendations that address program-related policies and procedures that would not have a significant impact on revenues and expenditures, but would result in modest improvements in service delivery and operating efficiency.

Acknowledgements

We would like to thank the DEBS director and her staff for their cooperation and assistance throughout this management audit. Staff were cooperative, open and eager to identify methods by which the Department can improve its operations and its level of service to County residence. Managers, supervisors and line staff provided much of the data contained in the report to Management Audit staff, and certain recommendations are the result of interviews with managers and other staff during the course of the audit. We would also like to thank staff in various units of the Santa Clara Valley Health and Hospital System for their assistance in identifying data used to determine the potential value of improvements in the SSI Advocacy system and the subsequent billing to Medi-Cal of health care costs for reimbursement by the State.

County of Santa Clara

Social Services Agency
Department of Employment and Benefit Services
333 W. Julian Street
San Jose, California 95110-2335
(408) 491-6825

DATE: January 20, 2009

TO: Management Audit Division

FROM: Katherine Buckovetz, Ph.D.
Director, Department of Employment and Benefits Services

SUBJECT: Accomplishments of the Department of Employment and Benefits Services

The DEBS Executive Team is committed to leading the entire department in a positive direction that is benchmarked through performance, collaborative ownership and coordination among employees at all levels, and community leadership. The foundation in DEBS is one of continuous quality improvement where employees are routinely investigating options to innovate and grow.

Performance Leadership in DEBS

- Established a new performance leadership model. **DEBS: A New Beginning** incorporates the DEBS vision, a statement of guiding values and performance mandates into a coherent framework for building productive working relationships and achieving outcomes.

- Initiated a quarterly **DEBS Leadership Team Forum** for managers and supervisors to be able to demonstrate commitment to the new performance leadership model and celebrate successes in DEBS.

- Initiated a monthly **DEBS Management Team Forum** to foster leadership development in the management ranks. The objectives that have been met include: 1) greater collaboration that promoted cooperative goals, 2) a higher level of personal effectiveness of each manager by sharing authority and discretion with them, and 3) appreciations for management contributions are routinely recognized in a climate of celebration.

- Formed the **CalWIN Support Initiative: Eligibility Work Supervisor** project to increase staff competence and confidence in meeting the new demands of working in the CalWIN e-case environment. Managers and EW Supervisors worked together in teams to proactively design solutions that allowed them discretion and choice.

- Initiated dialogue with DFCS to enhance our departmental linkages to help families and children reach self sufficiency.

- Initiated Agency discussion to bring in data warehouse program to allow for strategic fiscal and budget planning to individual case manager e-case management.

- Initiated planning of the **CalWIN Skills Assessment and Development Plan** to reengineer the unit Supervisors' direct oversight responsibilities through a report-based performance review criteria that reflects the new demands of working in the CalWIN e-case environment.

- Initiated Agency discussion to create a countywide food stamp and CalWORKs child only call center for continuing cases.

Performance Accountability in DEBS

- Created the **Data Integrity Steering Committee and DEBS Performance Dashboard** to support a systematic process for reviewing data reports on a monthly basis to monitor key program indicators and goals, and delegate issues to appropriate workgroups for follow-up as necessary. Examples of progress made to meet established targets are:
  - ✓ 50% decrease in overdue CalWORKs and Food Stamps redeterminations.
  - ✓ 100% of all Medi-Cal and Food Stamp Performance Standards met.
  - ✓ 22% decrease in cases in control.
  - ✓ Food Stamp error rate was within the Federal tolerance level, thereby avoiding a financial sanction.
  - ✓ More than 758 CalWORKs clients obtained employment with an average wage of $11.31 per hour.
  - ✓ More than 1,500 CalWORKs clients enrolled into an education and training program.
  - ✓ Served a record 400 young families to stay in school through the Cal-Learn program.

- Initiated action to develop a series of **Quality Customer Service Trainings** for all staff who deal with the public.

- Initiated the **Work Participation Steering Committee,** a cross-functional team of leaders in Employment Services and Benefits who established innovative ventures to make progress towards meeting the Work Participation Rate (WPR) goal. In statewide data released by CDSS in 2008, Santa Clara County's WPR ranked among the top 5 percent of counties and 3rd among the larger California counties.

- Constructed a new model for providing **CalWIN Training for EW Supervisors**. The goals met included: 1) a relatively fragmented group of EW Supervisors were transitioned into more cohesive and self-sufficient workforce, and 2) personal accountability was fostered by structuring the learning environment so that staff worked collaboratively and received immediate feedback.

- Coordinated with other SSA departments to strengthen **EW Recruitment and Training.** The goals met included: 1) the most qualified candidates were hired, and 2) extra training sessions were conducted so as to minimize cases in control due to staff shortages.

- Coordinated with other SSA departments on the **Clerical Business Process Improvement** project. DEBS successfully implemented and/or piloted the centralization of two major clerical business processes. Both increased efficiencies and effectiveness in those areas.

Community Leadership by DEBS

- Convened meetings of the **Safety Net Committee** along with Second Harvest Food Bank, a coalition of local government and non-profit agencies, to find ways to alleviate hunger and provide emergency resources within our county. In the last year, the number of food distribution sites was increased to include a number of CalWORKs employment and training partners.

- Convened meetings of the **CalWORKs Advisory Board** as a community forum for more 60 community members to discuss and identify issues and develop strategies to improve service for CalWORKs clients.

- **CalWORKs Employment Services consolidated and relocated** into one centralized center, along with staff from various partner agencies who jointly provide services to CalWORKs participants.

- Collaborated with the Board of Supervisors office and community partners to participate in **Destination Home**, an innovative program in which two One-Stop Homelessness Prevention Centers have been opened to help prevent homelessness by connecting people in need with appropriate services and housing opportunities. DEBS co-located four Social Workers to assist clients with SSI applications.

- Launched the **Food Stamps Outreach** project in collaboration with various community partners, who screen chronically homeless and working poor individuals for potential eligibility to benefits, and expedite referrals to DEBS for an eligibility determination. This program has served more than 100 people. We are now discussing how to utilize the food stamp face to face waiver to reach more clients.

- Held a new **CalWORKs Resource Fair in May 2008** attended by staff from both DEBS and community partner agencies to disseminate information on the mutual

services provided to CalWORKs participants in our community, and as an opportunity for staff to co-mingle and celebrate successes.

- Collaborated with community partners to implement the **Behavioral Health Assessment** project for CalWORKs clients enrolled in employment services, providing a greater opportunity to reduce hidden barriers to employment and improve the health of the family.

- Joined the **County Mental Health Stressed Families Stakeholder Planning Group.**

- Participated in **Leadership Gilroy** to establish a presence in South County to advocate for clients and to inform the community of our services.

- Improved internal operations by streamlining **Refugee Services**, serving approximately 370 refugees. In cooperation with our community partners more than 50% of theses families were able to secure employment within one year.

- Facilitated the **18th Annual CalWORKs Achievement Awards** ceremony in December 2008, where the Board of Supervisors recognizes ten clients for outstanding achievement. The stories of personal sacrifice and accomplishment impressed the audience and Board members alike.

- Collaborated with the **World Institute on Disability and the Santa Clara County Work Incentives Group** to implement a grant from the California Endowment to improve information sharing in the county's system of support on work incentives for the disabled.

- Implemented a new **transitional subsidized employment program** for CalWORKs clients who are approaching their last 12 months on aid. Employment positions are limited to 20 hours per week for 3-6 months. This paid work experience is integrated with other services such as intensive job search, which supports the goal of unsubsidized employment.

- Collaborated with the Social Security Administration to **cross train our GA social workers** to use their online SSI application system.

- Hold quarterly meetings with area GA advocates to remove barriers to programs and increase SSI application rates.

DEBS is proud of its many accomplishments over the past few years. DEBS staff puts the Department's vision—"We Make a Difference Through People, Service, Performance"—into practice every day. DEBS will be seeing increased caseloads in the coming years as people struggle with difficult economic times. DEBS will continue to institute efficiencies and best practices to ensure that we are able to meet the challenges and make a difference in people's lives.

Attachment I.2

DEBS Staff Survey - Conducted May 12 - May 30, 2008		
	Percent of Responses	
	Overall Agree	Overall Disagree
Mission		
The mission of the Department is clear to me.	92.8	7.2
The Department has established clear goals and objectives to accomplish its	85.0	13.5
I believe the Department is accomplishing its mission.	76.7	20.4
Culture		
The Department encourages high quality work.	79.0	21.0
The units within my office or bureau work as a team.	78.5	19.6
The various offices and bureaus within the Department work as a team.	65.4	29.3
Staff treat each other with respect.	80.7	18.4
The Department can best be described as client-focused.	84.1	14.5
Morale		
Morale in the Department is generally high.	60.8	38.3
Morale in my office or bureau is generally high.	63.0	36.5
Morale in my unit is generally high.	74.9	24.2
My Job		
My job makes good use of my skills and abilities.	90.6	8.4
The Department's policy and procedure handbooks help me perform my job.	87.4	10.6
The duties and requirements of my job are clear.	87.6	12.4
I am satisfied with the quality of my work.	93.5	6.0
My salary is appropriate for my job duties and responsibilities.	53.3	45.2
Performance		
Performance standards for my job have been clearly communicated to me.	84.1	12.4
I receive annual or routine performance evaluations.	53.5	26.3
My performance should be evaluated on an annual or routine basis.	69.7	14.6
I am recognized for my performance.	60.6	32.3
Workload		
My workload is manageable.	60.9	37.6
My workload is comparable to other staff in my unit.	73.3	19.5
My workload is comparable to other staff in my office or bureau.	61.2	27.0
My workload is comparable to staff in other offices or bureaus.	45.7	36.5
Workplace Safety		
I believe my workplace is safe.	87.3	12.2
I have never been injured on the job.	67.8	31.2
I do not experience any physical pain as a result of my job.	55.1	42.9
Supervision		
The role of my supervisor has been clearly defined.	81.4	16.0
My supervisor is available to provide assistance and guidance.	79.3	18.7
My supervisor provides feedback that is helpful.	83.0	14.9
My supervisor is responsive to employee concerns and suggestions.	80.7	16.1
My supervisor treats me with respect.	83.3	14.1
I view my supervisor as a positive role model.	77.6	17.7
I am satisfied with the number of supervisors in the Department.	64.1	18.8

Attachment I.2

DEBS Staff Survey - Conducted May 12 - May 30, 2008		
	Percent of Responses	
	Overall Agree	Overall Disagree
Management		
The role of managers has been clearly defined.	76.0	19.3
Managers clearly communicate the Department's mission, goals and objectives.	73.2	22.7
The quality of communication between managers and staff is good.	60.9	35.9
Managers are responsive to employee concerns and suggestions.	60.7	35.1
Managers treat me with respect.	80.0	16.3
I view the managers as positive role models.	62.3	30.4
I am satisfied with the number of managers in the Department.	58.9	21.4
Training		
I have received the training I need in order to do a good job.	77.4	22.1
My co-workers have received the training they need in order to do a good job.	72.6	18.9
I am satisfied with the number of training personnel.	69.3	22.2
I am satisfied with the location of training facilities.	63.7	33.2
I am satisfied with the quality of training materials.	66.3	30.0
Development		
The Department provides adequate promotional opportunities.	65.6	29.6
Promotions in the Department are awarded fairly.	43.6	48.4
Promotion criteria are clearly communicated to all staff.	57.4	37.4
I have a clear path for career advancement within the Department.	58.0	33.5
I am encouraged to take steps to develop my career.	59.9	29.9
Information Systems		
CalWIN helps me do my job more efficiently.	61.8	34.0
I am comfortable using CalWIN.	81.4	14.9
The Department's other systems, such as case tracking and document	64.0	23.3
I am comfortable using the other systems.	77.7	10.1
I prefer using the other systems over CalWIN.	43.3	29.9
Technical Support		
Technical support staff respond quickly to my requests.	84.5	15.5
Technical support staff are helpful and courteous.	93.0	6.4
I am satisfied with the type of technical support that is currently provided.	84.5	13.9
Management Information		
Reports in CalWIN help me do my job more efficiently.	59.8	22.2
I am comfortable using CalWIN reports.	61.3	18.8
Reports in Business Objects help me do my job more efficiently.	46.5	17.6
I am comfortable using reports in Business Objects.	41.1	17.3
I do not have access to Business Objects but believe I should.	34.6	8.6
Customer Service		
Staff treat clients in a professional manner.	82.8	15.1
Clients treat staff with respect.	65.9	30.8
I hear positive feedback from clients about our services.	71.9	20.5
Case Processing		
The Department processes cases as efficiently as possible.	72.3	21.8
Current caseload standards have improved the quality of services.	39.9	38.3
Case processing efficiency is a high priority of management.	67.6	22.2
The Department operates in the most efficient manner possible.	54.0	35.3

Attachment I.2

DEBS Staff Survey - Conducted May 12 - May 30, 2008		
	Percent of Responses	
	Overall Agree	Overall Disagree
General Satisfaction		
Overall, how satisfied are you with your current position? Before survey	83.9	16.1
Overall, how satisfied are you with your current position? After survey	84.0	16.0

Note: "Overall agree" and "overall disagree" percentages may not add up to 100 percent due to a small percentage of responses entered as "not applicable" or "no opinion".

Case Processing

1. Do Intake Eligibility Workers handle applications for multiple aid programs or do they specialize by aid program?

	They are "generic" / they handle applications for multiple programs	They specialize in single programs	Other (please specify)
Santa Clara			We have generic EWs, Medi-Cal EWs, GA/CAPI, and Foster Care EWs in various Intake Offices.
Sacramento			They specialize in single programs generally. However, we have combined GA with FS. We are about to have CAPI staff do Medicare and we have added NAFS to CalWORKS.
Fresno			In Metro Fresno, intake applications are taken at two different offices (Fairgrounds & Heritage Center). At the Fairgrounds Bldg., the Intake Eligibility Workers take CalWORKs and Public Assistance Food Stamps applications. If CalWORKs is denied, Medi-Cal and Non-Assistance Food Stamps are allowed if otherwise eligible. At the Heritage Center, Intake Eligibility Workers take applications for Non-Assistance Food Stamps and/or Medi-Cal only. If it is determined during the intake process that the client is eligible for CalWORKs, the client will be referred to the Fairgrounds Bldg. for further assistance. At the rural (Selma, Reedley & Coalinga) offices, applications are taken for all programs.
Ventura	X		
Alameda			ET I's and II's specialize in single programs: CalWORKs, GA, Medi-Cal and Food Stamps. However, based on the primary program, Food Stamps and Medi-Cal may also be included as a companion program. ET III's have been trained to take applications from all aid programs. However, implementation has not been fully completed at this point.
San Bernardino			While not neccessarily single programs, the EWs specialize by CalWORKs/Food Stamps and Medi-Cal primarily. Foster Care and Child Care and General Relief are also specialized.
Contra Costa			Medi-Cal and NAFS; Social Service Program Assistants do CalWORKs and linked MC/FS
Orange			CalWORKs: CalWORKs and Public Assistance Food Stamps Eligibility, WTW employment services, employment supportive services GA: GA and Non-Assistance Food Stamps Medi-Cal and Non Assistance Food Stamps: Separate and exclusive for these aid programs, tranistioning into combined Medi-Cal/NAFS application responsibility. Foster Care: Several programs, including Foster Care, Emergency Assistance, and Wraparound
San Francisco			Varies by program: Food Stamps (FS)-Specialize in single programs. We have eligibility workers whose day-to-day job is Food Stamp intake. CalWORKS (CW)-Specialize in single program, though CW is a combined benefit program. Medi-Cal(MC)-Some workers only accept MC intakes. Some take intakes for MC plus one or more other programs. (There are actually relatively few intake-only workers. Most have MC caseloads and accept intakes in various combinations as described). County Adult Assistance Programs (CAAP) - Workers accept intakes for three CAAP: General Assistance (GA), Supplemental Security Income Pending (SSIP), and Personal Assisted Employment Services (PAES).

Case Processing

2. For CalWORKS and General Assistance (GA) clients, does a single worker handle both continuing eligibility and employment services or are clients assigned to a separate worker for each function?

	A single worker handles both continuing eligibility and employment services	One worker handles continuing eligibility and another handles employment services	Other (please specify)
Santa Clara		X	
Sacramento			Both 1 & 3. We have developed a pilot where employment services are handled by a separate worker, but only a intake until client is engaged.
Fresno		X	
Ventura		X	
Alameda		X	
San Bernardino		X	
Contra Costa			One worker handles continuing eligibility and another handles employment serices except in GA where worker does Intake, Ogoing and Employment Services
Orange		X	
San Francisco			CW – We have a hybrid program with a mix of one worker for employment and eligibility and some split functions with one worker for employment, one that handles early engagement with employment and eligibility, and one worker that handles eligibility for exempt and child only cases. The Program is in transition. GA – One worker handles continuing eligibility and another handles employment services.

3. Do applicants and clients receive reminder calls prior to appointments?

	Yes, staff call clients	Yes, an automated phone system calls clients	No	Comments
Santa Clara		X		A new system for Employment Services was fully implemented in January 2009.
Sacramento	X			On an individual worker basis. We are considering an automated phone system to remind clients of their appointments.
Fresno	X			Job Specialists are expected to contact their Welfare To Work clients prior to their scheduled appointments. However, there are no policies requiring Department staff to call and remind clients who have scheduled appointments for other public assistance programs.
Ventura			X	
Alameda	X			Employment Counselors are supposed to contact the customer before a scheduled appointment. ET's are not required to contact a client before an appointment but may elect to do so.
San Bernardino			X	
Contra Costa			X	
Orange				CalWORKs: Intake interviews take place same day as application. For on-going eligibiity, workers may contact client as a courtesy but not a regulatory or county policy. General Relief and FS Eligibility Workers may contact applicants and clients as a courtesy to remind them of appointments; however it is not a regulatory or county policy requirement. Medi-Cal applicants and re-determinations are frequently mailed or if made in person, the applicant is seen the same day. Generally additional information is gathered thru telephone calls and mail. The Eligibility Workers may as a courtesy remind an applicant/client of an appointment if one is scheduled. Foster Care: Eligibility Workers may contact applicants and clients as a courtesy to remind them of appointments; however it is not a regulatory or county policy requirement.
San Francisco				Varies by Program: FS – No, but we are planning reminder calls to Food Stamp households not returning quarterly income reports. CW – Yes, staff call clients. MC – Not now, but we are negotiating a contract for automated reminder calls. CAAP - No

4. In Santa Clara County, the caseload standard for Intake Eligibility Workers is 40 applications per month. Workers receive caseload credit even when clients fail to show up for appointments. In your County, do Intake Eligibility Workers receive "credit" for scheduled appointments when the applicant does not show up?

	Yes	No	Comments
Santa Clara		X	Only in the Generic Intake offices. Note: in Santa Clara County GA Intake is 48, Foster Care/Adoptions is 50, CAPI and NAFS are 48, VMC is 48/month.
Sacramento		X	
Fresno		X	There are no intake caseload standards in Fresno County.
Ventura	X		
Alameda	X		Applications are assigned to the ET prior to an appointment with an ET or EC. So, if the client fails to show up, the application can be denied.
San Bernardino	X		Yes- These applications are pending and set to deny or another appointmnet within regulation time frames for that program
Contra Costa		X	Our CalWORKs caseload target for Intake is 24 applications taken
Orange		X	
San Francisco			Varies by program: CW - No. FS – Yes, but the case isn't assigned until the person checks in at the front desk, so there are few "no shows." MC – We don't have scheduled appointments, so there are few no-shows. We take walk-in, outstation, mail-in, and telephone applications as they are received. CAAP – If the work isn't one that requires a CalWIN action, no. If the work does require a CalWIN action, yes.

Case Processing

5. Are any staff subject to a workload standard or caseload range?

	Yes	No	Comments
Santa Clara	X		Intake EWs, Continuing EWs, IEVS, Overpayment Workers.
Sacramento		X	We do not have workload standards, but we are contractually obligated to balance caseloads among continuing workers. No continuing worker can have a caseload that is over 10% higher than the average continuing caseload within the program.
Fresno		X	Overall, Fresno County does not have workload standards with a few exceptions. On-going CalWORKs Eligibility Lead Workers carry a reduced caseload currently capped at 165 cases. Bilingual staff with caseloads of at least 80% monolingual clients are assigned 15% fewer cases than workers carrying an English speaking caseload. There are no workload standards or caseload ranges for Employment Services Job Specialists, however, consideration is given to specializations (i.e. Bilingual, Employee-related, Work Experience, etc.) and geographical location based on zip codes.
Ventura	X		All programs currently have a caseload range. However activities are currently underway to move to a workload standard for CalWORKs, Food Stamps, Medi-Cal, General Relief, CAPI, and IHSS
Alameda	X		
San Bernardino	X		
Contra Costa		X	Targets, no caps, for CalWORKs cash
Orange	X		Caseload standards are established by county policy (as opposed to labor negotiations)
San Francisco		X	Varies by program: FS – No, though Food Stamp Intake workers are generally assigned a range of new cases per day (0-5 for generic workers and 0-4 for bilingual workers). CW – No, but we try to have a caseload range that isn't mandated. MC – No, we try to ensure general equity in activity levels throughout the workforce, measured over a substantial period of time (months rather than days), taking into account the needs of diverse assignments. Appeals/IEVS – Standard noted under question 4. CAAP - No

Workload Standards and Ranges

Please specify the workload standard or range to which each of the following workers is subject. If no standard or range applies, please write "none". If this breakdown does not match your structure, please describe your structure and corresponding standards in Question 3.

1. Intake

	Santa Clara	Sacramento	Fresno	Ventura	Alameda	San Bernardino	Contra Costa	Orange	San Francisco
CalWORKS	40	2-3 per day	none	44	31	36	None	22 including employment services	None
CalWORKS Employment Services	N/A	none	none		No workload standard	85	None	22 including eligibility	None
General Assistance	48	4 per day	none	30-40	45	58	None	53 combined GA/NAFS	None
Medi-Cal	48	6-8 per day	none	44	41/42	35	None	43.5	None
Food Stamps	48	combined with Cash Aid	none	44	70	114	None	156 combined intake and continuing	None, but # of cass issued to each worker per day ranges from 0-5 for generic workers and0-4 for bilingual workers
Cash Assistance for Immigrants	48	1 per day	none	55	N/A	Varies - Based on new applications	None	None	None
Foster Care	50	4 per day, combined w. adoptions	none	See #3	30/31	46	None	41.42 dispositions	None
Foster Care Adoptions	50	see above	none	See #3	NONE - ASSIGNED TO ET IIIs	N/A ; Function of Department of Children's Services	None	None	None
Refugee Cash Assistance	40	combined w/ CalWORKS	none		31	Varies according to # of applications	None	None	None
Appeals	N/A	25 filings per month	none	None	N/A	32-35	None	10 Staff average 74 filings per month	3-5 per appeals worker
IEVS	75	n/a	none	None (see #3)	8/WEEK FOR OVER-PYMNT WKRS	Part of Each eligibility function - Included in caseload target	None	None	None
Clerical	N/A	n/a	none		N/A	Clerical functions vary - All functions inclusive	None	None	None

Note: Since the organizational structures of the comparison Counties vary so widely, it is important to consider the caseloads listed here in conjunction with information about the corresponding structure and process. Question 1 under "Case Processing" and Question 3 under "Workload Standards & Ranges" provides some of this information.

Workload Standards and Ranges

2. Continuing

	Santa Clara	Sacramento	Fresno	Ventura	Alameda	San Bernardino	Contra Costa	Orange	San Francisco
CalWORKS	158	110 cases including FS (264 FTE's in program)	none		ET IIs-155; ET IIIs - no cap	181	None	48	None
CalWORKS Employment Services	N/A	-	none		No workload standard	85	None	67	None
General Assistance	172	670 cases including FS (33 FTE's in program)	none	45	NONE-ASSIGNED TO ET IIIs	230	None	157 combined	None
Medi-Cal	N/A	520 cases	none	321 (average)	ET IIs-277; ET IIIs - no cap	414	None	Reguar: 297; QMB: 2400; ABD: 600	None
Food Stamps	172	combined w CalWORKS and GA programs	none	321 (average)	NONE- ASSIGNED TO ET IIIs	230	None	156 combined intake and continuing	None-Program operates a case bank, service & call center
Cash Assistance for Immigrants	172	125 cases (10 FTE's)	none	250 - 275	N/A	Varies - Based on # of eligibles.	None	None	None
Foster Care	147	382 cases (27 FTE's) combined w adoptions	none	See #3	300 range- HANDLED BY ET IIIs	161	None	220	None
Foster Care Adoptions	615	see above	none	See #3	400 range- HANDLED BY ET IIIs	N/A- Department of Children's Services	None	None	None
Refugee Cash Assistance	158	combined w CalWORKS	none		none - ASSIGNED TO ET IIIs	Varies according to # of eligibles	None	None	None
Appeals	N/A	26	none	20-25/mo - Per Appeals Officer	N/A	32-35	None	10 Staff average 74 filings per month	8-12 per Appeals Worker
IEVS	90	n/a	none	See #3	N/A	Part of Each eligibility function - Included in caseload target	None	None	None
Clerical	N/A	n/a	none		N/A	Clerical functions vary - All functions inclusive	None	None	None

Note: Since the organizational structures of the comparison Counties vary so widely, it is important to consider the caseloads listed here in conjunction with information about the corresponding structure and process. Question 1 under "Case Processing" and Question 3 under "Workload Standards & Ranges" provides some of this information.

Workload Standards and Ranges

3. If your processing structure is such that you prefer not to use the format above, please describe your structure below and include any applicable workload standards or ranges.

Santa Clara	N/A
Sacramento	The above represents only the range of workload in programs. (Comments handwritten at top of page: "Range. These numbers reflect a fluctuating range. We do not have a workload standard. Please see response #5 on pg 4.")
Fresno	The average caseload size for on-going CalWORKs case managers is 252 for English speaking caseloads and 210 for bilingual caseloads. The average English speaking caseload for Employment Services is between 125-130 and 106 for bilingual cases. The caseload size is driven by the overall number of CalWORKs cases and workers assigned in each program. There are also special considerations for specialized caseloads as previously mentioned.
Ventura	IEVS does not have specific caseload standards by worker, but the Unit has overall standards: 1,500 CalWORKs & Food Stamp IFD wage matches per quarter, 35-40 BEER monthly (IRS wage matches), 50-70 annual asset matches. Daily team goal of processing 60 abstracts per day. Foster Care Unit: Intake is assigned to all workers on a rotation basis. Each Eligibility Worker is assigned approx. 5-8 cases a month, and each worker has a Continuing caseload along with a specialized caseload such as Kin-GAP, NRLG, SED, Adoption. When staffing allows, the Adoption caseload is divided among three workers (250 cases each), plus ongoing and intake. Workload standards are taken into consideration, rather than caseload standards that appear to be obsolete.
Alameda	ET IIIs DO NOT HAVE WORKLOAD STANDARDS BUT IN SOME PROGRAMS, THEY HAVE A NUMBER OF CASES THAT THEY TRY NOT TO EXCEED WHEN ASSIGNING FOR ONGOING CASE MANAGEMENT.
San Bernardino	See above as structure is similar. Some programs vary
Contra Costa	
Orange	
San Francisco	MC – We allocate staff according to demand. Most workers have a carrying caseload and take intakes, which provides a much larger pool of workers available for intake on-demand and back-up, as well as helps ensure that client language needs are always addressed. CAAP – We have two appointments for each intake and the number of clients interviewed ranges from 3-6 per day depending on the situation. WDD – workload ranges also vary by position providing Employment Services: • Employment Services Representatives - ESRs provide job search assistance to PAES, CalWORKs and WIA clients in Job Clubs and other workshops. Each is expected to serve 200 clients per year with a 55% placement rate. • Business Account Representatives - BARs work with local employers to identify jobs appropriate for our client population, perform targeted recruitments and match job seekers to available job openings. BARs are expected to carry 70 active business accounts, organize 5 job recruitments, place 200 job seekers per year. • Vocational Assessment Counselors (VAC) – VACs facilitate voc assmt workshops or provide direct career counseling. Workshop VACs are expected to co-facilitate 25 workshops annually and achieve a 65

Productivity and Performance

1. Do you have any policies on using sick leave? (Please check all that apply.)

	Bargaining units have their own policies.	Social Services has its own policy.	There are no sick leave policies.	Other (please specify)
Santa Clara				Documentation exists in the Side Letters
Sacramento				County Policy. Staff have the responsibility to: 1) call immediate supervisor 15 min prior to start of shift, 2) Attempt to speak directly to supervisor, 3)If sup not available, leave voice message, 4)call main office phone, leave a number where you can be reached, 5)re-schedule meetings if needed
Fresno				Fresno County's employee sick leave and vacation are combined into "Annual Leave". When an employee is ill or injured, their timesheets are coded as Annual Leave and a Sick Leave Certification form (EFC-002) must be completed and submitted to the supervisor for processing (see Policy Procedure Guide 10-05-004). The Salary Resolution on Absences also states that the Director or designee (Supervisor) can request a doctor's statement when it is deemed necessary if an employee is absent for illness or injury (see Section 700 Vacation/Sick Leave of Salary Resolution).
Ventura	X			County Admin Manual gives specifics for use
Alameda		X		
San Bernardino	X	X		County has broad, and narrow policies. Bargaining Units are the broades, with County policy being more defined (narrow) by Dept.
Contra Costa	X	X		
Orange	X			
San Francisco		X		

2. Do you provide any of the following incentives to discourage the unnecessary use of sick leave? (Please check all that apply.)

	Sick leave cashout	Non-monetary bonus	Employee recognition	Other (please specify)
Santa Clara				Documentation exists in the Side Letters.
Sacramento				Wellness certificates which provide for 8 hours off when less than 12 hours sick leave used in a designated 6 month period
Fresno				Fresno County's employee sick leave and vacation is combined into "Annual Leave" with no incentive to discourage the use of this time.
Ventura			X	General/Employee Recognition to support & motivate employees
Alameda				Unused Sick Leave can be applied towards Retirement Credit
San Bernardino				Sick leave Conversion (to VAC) for those using zero to minimal hours. Perfect Attendance- Health Club facility membership for thiose with zero annual sick leave usage.
Contra Costa				At retirement, Social Security credit
Orange				
San Francisco	X			Sick leave cashout described in Labor MOUs.

3. Do you provide any of the following incentives to encourage staff to be productive? (Please check all that apply.)

	Monetary bonus	Non-monetary bonus	Employee recognition	Other (please specify)
Santa Clara			X	
Sacramento			X	-Memos of commendation to personnel file, -public recognition at bureau meetings, -articles in Dept newsletter
Fresno			X	Department employees are asked to submit nominations on a quarterly basis for individuals they would like acknowledged for exceptional service. Employees are nominated by their peers based on their degree of professionalism, positive attitude and influence at work and work ethic that displays self-motivation, thoroughness, and conscientious. Three individuals are recognized each quarter and given a gift certificate at the Manager's meeting. Additionally, at the end of each year, all nominees are invited to attend a celebration with the Director. Furthermore, E&TA holds an annual "Employee Appreciation Day" where all staff receives lunch for their hard work, commitment to helping clients and the community and for meeting Department goals.
Ventura			X	
Alameda			X	Department, Agency and County Recognition
San Bernardino			X	
Contra Costa				Bureau Recognition programs
Orange			X	
San Francisco			X	

4. What actions or programs has your agency implemented to address low morale in a work unit or location?

Santa Clara	Various Supervisor Meetings to identify problems and solutions, staff development trainings, Message Board to post current events, Manager Meetings with the unit. Workers, and bargaining unit, Monthly DEBS Director and Labor Meetngs.
Sacramento	-Development of a communication plan -various employee recognition events
Fresno	Our Quality Assurance/Quality Control unit recognizes individual workers/units that meet accuracy rates for Food Stamps, CalWORKs, and Medi-cal and Work Participation Rates for WTW. We also have a Staff Advisory Committee that allows members to meet and discuss recommendations made by staff. As a result of the committee, the Department recently implemented casual denim Fridays and during the warm summer months, staff dress more casual. Within each Program Manager's section, there are individual practices in place to address morale issues.
Ventura	General/Employee recognition programs, brought in employee assistance supports, provided special team building trainings
Alameda	Multi-Cultural Events, Formal Mentoring Program, Opportunities for Career Development and Advancement, Office Activities (Pot Lucks, Staff Appreciation, Holiday events, etc), Employee Wellness Program, Training focused on Personal Development and Improvement.
San Bernardino	County statrted employee incentive programs through Servi e First and Mystery Shopper, whereby individuals recognized for excellent customer service may redeem rewards for material gifts.
Contra Costa	Surveys, on-site meetings, suggestion box, job shadowing by Executive Team
Orange	Employee recognition and other celebratory activities serve to maintain positive morale
San Francisco	The City and Agency have created multiple opportunities to foster positive feelings about the workplace. Citywide: Employee Assistance Program provides tools for balancing work/home life, stress mgmt, conflict resolution, improving communication. As needed, managers can refer employees to those programs. City Shape-up Initiative and Wellness Works Program focuses on health & well being. A physical wellness coordinator is located at each agency. Agency-wide: Staff Development-professional clerical training to further career development, Management Academy Training, certificate programs, ergonomic awareness, and stress management training. Other Agency Activities-Executive Management Team open-door days, UC leadership training, Bay Area Social Services Consortium training, and HSA Mentoring program.

5. Please indicate which of the following classifications receive annual or routine performance evaluations.

	Eligibility Worker	Employment Services Worker	Eligibility Examiner	Social Worker	Clerical	Supervisor	Manager	Other (please specify)
Santa Clara								Documentation exists in the Side Letters.
Sacramento	Other	Other	Other	Other	Other	Other	Other	Our goal is annual evaluations for all staff. To help us achieve this goal, we will be implementing an automated performance appraisal system in FY2008-09
Fresno	Annual	Annual	Annual	Annual	Annual	Annual	Annual	
Ventura	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Perf. Reviews are annual, unless there is an employee on probation, then a 6-month review is performed. Special reviews may occur as needed.
Alameda	Annual	Annual		Annual	Annual	Routine	Routine	Annual Evaluations are completed every 12 months and Routine Evaluations are completed every 18 months.
San Bernardino	Annual	Annual	Annual	Annual	Annual	Annual	Annual	
Contra Costa	Annual	Annual	Annual	Annual	Annual	Annual	Annual	
Orange	Annual	Annual		Annual	Annual	Annual	Annual	
San Francisco	Annual	Annual	Annual	Annual	Annual	Annual	Annual	

6. How do you recognize and reward good performance?

Santa Clara	outside consultant is used. We would also mention that we send staff to conferences and workshops to remain current on legislation, service delivery strategies, etc.
Sacramento	We nominate staff for county-wide service awards if they have developed some innovative process. We have occasional recognition events which are sponsored by various levels of management.
Fresno	Workers who meet accuracy standards in Eligibility and Work Participation Rates in WTW are recognized by QA/QC during a certificate award ceremony. Employees who earn an "Exceeds Satisfactory" in all areas of their evaluations are sent to the Director directly for review and approval. Exemplary performance is also recognized at the monthly Manager's meeting and published in the Department's PS Newsletter.
Ventura	Staff Recognition, Director Awards, Publicize in newsletters and Intranet postings, Board of Supervisor Proclamations
Alameda	Employee Recognition, Office Bulletin Boards, Agency and Departmental Publications, County Courier (Quarterly Publication), Service Awards
San Bernardino	Through Service First awards as described. Deptartmetn also does local level awards, acheivement recognotion for staff through STARS and Starbucks program. Staff erarn Star bucks for various good performance goals and may redeem these for items from the on-line catalog.
Contra Costa	Bureau Recognition program
Orange	Each barganing unit includes goal and performance orientated evaluations which include monetary reward for performance
San Francisco	Employee of the month, annual employee recognition awards ceremony, promotions, and step increases.

Training and Development

1. Have you established any ongoing training requirements for staff?

	Yes	No	Comments
Santa Clara	X		In Addition to induction training in accordance with state mandates, DEBS staff is provided with on-going training on program changes, major CalWIN changes, new programs and other subject areas related to their duties and responsibilities
Sacramento		X	Training is provided as need identified. Examples include: CalWIN workshops, MEDS Academy, customer service Academy for clerical. In addition, we have annual mandatory training for all staff to go over Dept policies regarding ADA, civil rights, confidentiality, internet use, etc.
Fresno	X		All staff are required to complete training on civil rights and confidentiality on an annual basis. The Department's Staff Development unit also provides training to all staff on various Federal and State public assistance program regulations and requirements and in-house procedures as needed. Recently, the Successful Human Interaction Professional (SHIP) training on customer service was mandated for all staff.
Ventura	X		Leadership Academy, Disaster Preparedness/Safety, refresher training on programs, eligibility and processing, Ethics Training
Alameda	X		Induction Training in the various Assistance Programs is conducted for all new employees. Staff is also required to complete training modules on regaulation changes in their program areas. We also offer Crossover Training for staff moving from one program area to another and Refresher training, as needed. Classes may also include a Hands-On Computer component.
San Bernardino	X		New EWs- Orientation and Induction Curriculum in place Ongoing EWs - Regularily scheduled In Service trainings (Quarterly) based on identified error areas
Contra Costa		X	The department has mandated training based on state and federal mandatory affirmative action program
Orange	X		New eligibility staff goes through 2 months of Induction training. New program or Transfer training is provided as needed. Staff routinely receives training on program changes, new legislation affecting business processes (such as Deficit Reduction Act) and training to enhance systems knowledge & expertise. Supervisors and managers have an established series of trainings they are required to complete, such as New Supervisor Orientation, Interaction Management and Advanced Supervisory Academy.
San Francisco		X	

2. Where do staff trainings take place? (Please check all that apply.)

	On-site	Off-site	On-line/Computer	Other (please specify)
Santa Clara	X	X	X	
Sacramento	X	X	X	Conferences and seminars
Fresno	X	X	X	
Ventura	X	X	X	
Alameda	X	X	X	
San Bernardino	X	x	X	
Contra Costa	X	X		
Orange	X	X	X	place at specialized training facility
San Francisco	X		X	

3. How do you communicate job openings to staff?

Santa Clara	*The Santa Clara County Transfer Line. *The Santa Clara Web Portal: SCCGOV@work. *The SSA Intranet
Sacramento	Intranet
Fresno	Department Personnel staff send e-mails to all staff on current job openings along with announcements posted in the County Personnel website, bulletin boards throughout the Department, and in the Department PS Newsletter.
Ventura	All Agency e-mail bulletins, County Intranet/Internet published postings
Alameda	Alameda County, Human Resource Services and Social Services Agency Websites, Bulletin Boards, E-Mail Announcements, OnLine listings for Employment Opportunities, Internal Meetings, word of mouth.
San Bernardino	Primarily via County Job announcements which are shared on-line and on the County Human Resources website. Departmental recruitments for these positions are communicated through the various levels of staff to encourage applicants.
Contra Costa	County internet Department intranet Postings
Orange	Email announcements are sent out to all Social Services Agency employees. Job opportunities are posted and updated daily on our website at: <http://ocgov.com>
San Francisco	Vacancies are posted on the intranet and strategic locations in the department (e.g. near elevators, stairwells, and breakrooms). Also, notices are sometimes e-mailed to employees.

4. How do you communicate promotion criteria to staff?

Santa Clara	*The Santa Clara County Web Portal: SCCGOV@work. *The SSA Intranet
Sacramento	Intranet
Fresno	The promotion crtieria are set forth in the job recruitment announcement and in the Department's Policy Procedure Guide on Promotions. Supervisors also meet continually with their staff during their conferences to remind them of what criteria needs to be met in order for employees to promote.
Ventura	Job specifications identify requirements. Supervisors and Managers convey during group and one-on-one meetings, All Agency e-mails bulletins
Alameda	Alameda County, Human Resource Services and Social Services Agency Websites, Bulletin Boards, E-Mail Announcements, OnLine listings for Employment Opportunities, Internal Meetings, word of mouth.
San Bernardino	Promotional criteria are specifically listed in the announcements for the various promotional positions. These are communicated as in the manner listed above. Departmental staff also individually counsel interested staff in these requirments.
Contra Costa	County Human Resources website, training to develop supervisory, management staff
Orange	Promotional opportunity announcements include this information. Also available on the ocgov.com website, or can be requested by contacting SSA or County Human Resources department.
San Francisco	Information on the job qualifications is included in the job announcement.

Information Systems

1. Are you a part of the CalWIN Consortium?

	Yes	No	Comments
Santa Clara	X		
Sacramento	X		
Fresno	X		
Ventura	X		
Alameda	X		
San Bernardino		X	San Bernardino is part of the C-IV consortia
Contra Costa	X		
Orange	X		
San Francisco	X		

2. How do staff receive technical support for problems they encounter in CalWIN?

Santa Clara	By utilizing the CalWIN Helpdesk via phone and/or automated ticket creation tool (GadWIN).
Sacramento	We have created a separate Division called CalWIN Application Support. This Division includes a "helpdesk" dedicated to trouble-shooting CalWIN issues.
Fresno	Department staff create self Heat Tickets that are e-mailed to a centralized CalWIN Help Desk with staff who will provide CalWIN technical support.
Ventura	CalWIN Application Help Desk for users that reside within the Agency Information Technology Shop
Alameda	CalWIN Help Desk, CalWIN Support Team, Subject Matter Experts in the offices, Online HELP in CalWIN, Solutions West, Information System Specialists, Program Specialists.
San Bernardino	N/A
Contra Costa	On site support coordinators are stationed in some of our offices. The CalWIN Help Desk staff is available for all staff.
Orange	The user creates a ticket via an automated tool "Gadwin" which captures screens shots and creates an email directly to Level 3 Help Desk
San Francisco	Tier 1 - IT service desk Tier 2 - IT CalWIN team Tier 3 - Escalate to EDS as a services request

3. Which of the following staff have been given troubleshooting training in CalWIN? (Please check all that apply.)

	Managers	Supervisors	Line Staff	None
Santa Clara		X	X	
Sacramento		X	X	
Fresno		X	X	
Ventura	X	x	X	
Alameda	X	X	X	
San Bernardino				
Contra Costa		X	X	
Orange		X	X	
San Francisco	X	X	X	

Call Center

1. Do you operate a call center?

	Yes	No	Comments
Santa Clara	X		Medi-Cal Service Center.
Sacramento		X	We are considering a call center/service center approach for the future
Fresno		X	We have a designated unit operated by six Eligibility Workers at the Mariposa Building. Currently, calls are accepted for staff located at the building, who are responsible for Medi-Cal, Non-Assistance Food Stamps, Homeless Food Stamps, and General Relief. This change unit answers approximately 3,064 of the 3,619 average monthly calls received. Staff identify the reasons for the calls by assigning one or more "activity codes" (i.e. 01-FS Ongoing, Change Reported; 05-Medi-Cal Ongoing, Add person/pregnancy; 10-Calls redirected for other programs; etc.) applicable to each call. When appropriate, the change unit may take action on a case or forward the information to the case carrying EW. Whent he call volume is low, the change unit staff also assists case carrying staff with completion of Medi-Cal Renewals and Food Stamp QR7's.
Ventura		X	Researching and giving the issue serious consideration.
Alameda	X		We have both a CARS (Customer Automated Response System)VRU and a CARS WEB. Customers can obtain information from either the telephone or via the WEB site.
San Bernardino		X	There is interest in starting a call center in the future. Our Human Services Department of Child Support Services operates one.
Contra Costa	X		
Orange		X	Kickoff for planning a Medi-Cal/NAFS Call Center begins 7/08. Anticipated implementation date 1/10
San Francisco	X		

2. Which of the following types of cases does the call center handle? (Please check all that apply.)

	Medi-Cal	Food Stamps	CalWORKS	CalWORKS Employment Services	Foster Care	Adoptions	General Assistance	Other (please specify)
Santa Clara	X							
Sacramento								n/a
Fresno								
Ventura								
Alameda	X	X	X	X	X		X	IHSS
San Bernardino								
Contra Costa	X	X						
Orange								
San Francisco		X						

General Assistance

1. Are Employment Counselors (if used) assigned specific General Assistance (GA) clients to monitor for compliance with job search and public work project requirements, or do clients see any counselor available on their assigned interview date?

	Specific assignments	Any counselor available	Other (please specify)
Santa Clara		X	
Sacramento			Specific Assignments and Other. Clients also attend Readiness Workshops facilitated by Dept Social Workers
Fresno			In the Metro Fresno area, General Relief provides job search material to clients and utilize Workforce Connection for client job search assistance. This is a new process and is being evaluated. In the rural areas, our Regional Centers in Reedley, Selma and Coalinga refer clients to Department Job Specialists to monitor the job search and assist them in registering with CalJOBs. Referrals are also made to Workforce Connection for additonal job search assistance.
Ventura		X	
Alameda	X		
San Bernardino			Select CalWORKs Employment Services staff provide additional SSI Advocay sercices in assiting General Relief customers with direction on where and how to apply for SSI appeals.
Contra Costa	X		
Orange	X		
San Francisco	X		Employment-track GA clients (enrolled in PAES) are assigned to an Employment Specialist in CAAP who monitors Welfare-to-work compliance. WDD staff work with PAES clients in cohorts in job readiness, voc assmt, and job search workshops.

2. Please describe whether Employment Counselors provide significant job coaching to GA clients.

Santa Clara	Job Club, Workshops, Workplans
Sacramento	Yes, they meet on a weekly basis to review job search efforts. Utilize a job developer who facilitates "Job Talk" sessions with clients.
Fresno	See Above
Ventura	These clients are counseled on an individual basis, when necessary/possible, and can also attend the other classes offered for Resume Writing, Job Interview Skills, etc.
Alameda	Due to the high volume of cases the most significant coaching that clients receive is during the Job Club/Job Search Activity. That is where clients are given tools to find a job such as; interviewing skills, completing a Master Application/Resume, tips on dress, etc. EC's also do some coaching when clients bring in attendance sheets or Job Search forms.
San Bernardino	No
Contra Costa	We have very few employable GA clients. They are on aid for only three months. They utilized One Stops for job searches.
Orange	GR Work Program Employment Counselors provide a mandatory 1 half-day Job Club session that includes instructions in application completion, interviewing techniques, and assistance in locating job vacancies using various resources such as the local advertisements and the Internet.
San Francisco	Yes. WDD staff in the context noted above provide significant job coaching to employment-track GA clients (enrolled in PAES).

General Assistance

3. In the past year, approximately how many days elapse on average between the date a GA client turns in their initial application for assistance, and the date when they receive an intake interview by an Eligibility Worker?

Santa Clara	5 to 15
Sacramento	Happens at the same time.
Fresno	In Metro Fresno, General Relief clients are generally interviewed on the day they turn in the initial application for an intake interview. A the very latest, they are asked to return the next day.
Ventura	5 Days
Alameda	2 DAYS
San Bernardino	This would be less than seven (7) days. In general, an applicant for GR is assigned to a group meeting once per week, then meets individually with specialized EW.
Contra Costa	Information not readily available
Orange	None. GA applicants are interviewed the same day that their initial application is submitted.
San Francisco	4-5 work days

4. At what point in the application process is a GA applicant assigned to an intake Eligibility Worker to be interviewed?

	At the time of the initial application or sometime prior to the scheduled date of the interview	On the morning when the interview is scheduled	Other (please specify)
Santa Clara		X	
Sacramento		X	
Fresno			Applicants are seen the same day they come in to apply, with a few exceptions. After the application is registered through CalWIN, it is assigned to an Eligibility Worker.
Ventura		X	
Alameda	X		
San Bernardino			GR applicant is assigned an EW as soon as they apply. They may not meet with that EW until attending a group session first, which would be no longer than seven (7) days later.
Contra Costa	X		
Orange	X		
San Francisco		X	

General Assistance

5. Does your County provide a standby option where GA applicants are allowed to come to an intake office to see any available EW, and thereby complete applications prior to their assigned appointment?

	Yes	No	Comments
Santa Clara		X	Emergency Appointments are available for extreme situations, whithin three days.
Sacramento		X	
Fresno		X	
Ventura	X		
Alameda		X	
San Bernardino	X		On an as needed basis, applicants in these circumstances may be assigned to an available EW prior to their scheduled appointment.
Contra Costa		X	
Orange		X	Not necessary since GR applicants are interviewed on the date of application.
San Francisco	X		A client may come in prior to their appt and see if there is an earlier appt. They may also walk in and get an appt because we had fewer clients than worker slots for the particular day.

6. What percentage of GA intake applications are processed on an "expedited service" (three days) basis as required under food stamp rules?

Santa Clara	50%
Sacramento	80% of all GA intakes are processed on an expedited services basis
Fresno	100% of all Food Stamp applications are processed as required within the 3-day rule. However, General Relief applications are handled separately and are not processed as required under food stamp rules.
Ventura	None
Alameda	Maybe 10%. GA requires much more documentation than ES Food Stamps.
San Bernardino	General Relief intake applications do not have provisions for expedited services. However as indicated above, unique situations may dictate that GR customers are seen and processed on a priority basis. The % processed with three days would be minimal. Less than 1%. the 5 processed as apriority would also be minimal (Less than 5%)
Contra Costa	
Orange	All GR applications are screened on the date of application for potential eligibility for immediate need/expedited services. If eligibility exists, the GR application is processed on an expedited basis, however, the percentage is unknown.
San Francisco	Our rules are not the same as Food Stamps.

General Assistance

7. Do you provide district offices for GA applicants, or only a single intake location?

	Single location	District offices	If district offices are provided, in what cities are they located?
Santa Clara	X		Two District Offices accept initial applications and issue appointments. However, they do not conduct the actual interview.
Sacramento		X	We are developing a plan to increase regionalization of GA
Fresno		X	In addition to the Fresno office, General Relief applicants in rural Fresno County are served by the appropriate regional office.
Ventura		X	GA Unit Staff is Centralized - They travel to the District Offices
Alameda		X	North Oakland, Central Oakland, Hayward, Fremont and Livermore
San Bernardino		X	San Bernardino, Highland, Yucca Valley, 29 Palms, Ontario, Rancho, Barstow, Needles, Hesperia, Adelanto, Victorville, Redlands, Colton, Fontana. All geographic areas of the County are served.
Contra Costa		X	
Orange	X		
San Francisco	X		

8. Do you coordinate any employment services with your County's Workforce Investment Board?

	Yes	No	Comments
Santa Clara	X		Have CalWORKs Collaboration in North County. Developing a WIA Collaboration in San Jose.
Sacramento		X	
Fresno	X		All General Relief employable clients are provided the option of registering at Workforce Connection to conduct their job search and CalJOBs registration or conducting a self-directed job search. At the GR application interview, employable clients are provided with a Workforce Connection referral form and instructions on the proper completion of the required job search documentation. The client then has the option at Workforce Connection to request access to their orientation process, through which the client can obtain the more comprehensive employment services if qualified by Workforce Connection.
Ventura	X		
Alameda	X		In South County, we use the Career Center for our Job Search Activity which is run by the WIB. The North County and Eastmont offices use OPIC.
San Bernardino	X		To a limited extent as referrals for employment services for Non-CalWorks participants.
Contra Costa	X		
Orange	X		Part 2 of the mandatory Job Club is a half-day session conducted by the local One Stop Center. A GRWP Employment Counselor also attends these sessions to take attendance and provide additional assistance for our GR clients. The One Stop Center provides enhanced employment services due to their comprehensive resources that are not available at the county office.
San Francisco	X		The Human Services Agency is a Career Link Center Operator, providing employment services through an MOU with the SF Mayor's Office of Economic & Workforce Development.

9. Does your SSI Advocacy Program track the amount of General Assistance recovered annually?

	Yes	No	If Yes, what is the approximate annual recovery?
Santa Clara	X		$1,000,000 annually.
Sacramento	X		$2,000,000 annually
Fresno	X		The budgeted annual recovery of General Relief for FY 2008-09 is projected at $510,535.
Ventura	X		July 2006 - June 2007: $70,172; July 2007 - June 2008: $118,902
Alameda	X		FY06-07 = $1, 988,204; FY 07-June 08 = $2, 073,457
San Bernardino	X		For FY 07/08 Approx $360,000
Contra Costa	X		
Orange		X	
San Francisco	X		The CAAP SSI Case management Program recouped $1.7 million in interim assistance reimbursement (IAR) and benefit savings in FY 0708

10. Do you also track the amount of Medi-Cal recovered for hospital and other health service costs incurred by applicants?

	Yes	No	If Yes, what is the approximate annual recovery?
Santa Clara		X	
Sacramento		X	This is done by another County Dept.
Fresno		X	
Ventura		X	
Alameda		X	This information may be available from the Health Care Services Agency but Social Services does not track these costs.
San Bernardino		X	
Contra Costa		X	
Orange		X	OC does not currently have an SSI Advocacy Program for GR clients. However from 1/08 thru 4/08 the Social Security Administration reimbursed a monthly average of $9273.
San Francisco		X	Not currently. We actively maximize MC coverage to ensure reimbursement, but because of numerous incompatibilities between Human Services Agency & Department of Public Health information, tracking, claiming, and billing systems, we do not know reimbursement amounts associated with County cash assistance.

Foster Care

1. Please indicate where Foster Care Adoption case files are physically located in relation to Eligibility Workers.

	In the worker's workspace	Within 10 feet of workspace	Within 25 feet of workspace	On a separate floor	In a separate building	Other (please specify)
Santa Clara						One worker has the Adoption Cases within ten feet of her workspace, while the other four workers have the case between 33 to 44 feet of their workspaces.
Sacramento	X					
Fresno						The Eligibility Worker has access to the eligibility case assigned to them but there is no access to the Adoption Services case file.
Ventura	X					
Alameda		X				
San Bernardino	X					
Contra Costa			X			
Orange	X					
San Francisco	X					

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Section 1. SSI Advocacy Program – Increased Medi-Cal Reimbursement of Health and Hospital System Costs

- **In FY 1984-85, the Social Services Agency created a special purpose unit called the SSI Advocacy Unit within its General Assistance Division for the purpose of qualifying for federal Supplemental Security Income (SSI) disabled County residents who are receiving General Assistance. Qualifying these residents for SSI relieves the County of the financial responsibility for these persons. Once clients are approved for SSI, they are also qualified for Medi-Cal benefits retroactively to the date of their SSI application. Each month, the Social Services Agency Accounts Receivable Unit compiles a list of clients approved for SSI during that month, and transmits the list to the Health and Hospital System (HHS) Patient Business Services (PBS) Division for processing.**

- **However, based on interviews with HHS Patient Business Services staff, the lists have not been distributed to other HHS staff who bill for pharmaceuticals, mental health or drug and alcohol services. In addition, due to a lack of comprehensive written procedures for the processing of monthly SSI approval information, HHS Patient Business Services staff have not fully billed for services back to the retroactive date of SSI eligibility, as permitted by State and federal regulations.**

- **Analysis of a systematic random sample of more than 100 Social Services clients approved for SSI during the past five fiscal years, determined that 53.4 percent received medical services at Valley Medical Center or County clinics, 47.8 percent received mental health and/or drug and alcohol services, and 70.3 percent received pharmaceuticals during their periods of retroactive eligibility. None of these services, which total about $7.8 million annually and average approximately $15,853 per SSI-approved client were billed to Medi-Cal. Since SSI approvals total about 492 annually, based on current Medi-Cal reimbursement rates, total lost Medi-Cal revenue amounts to approximately $2.9 million annually.**

- **By centralizing HHS responsibility for overseeing retro-active billing of SSI-approved patients, and implementing comprehensive written procedures to ensure the proper and timely distribution of the monthly SSI approvals report, Medi-Cal billings could be increased by approximately $7.8 million annually. These previously unbilled health services could generate increased reimbursements estimated to amount to $2.9 million annually, and $1.45 million on a one-time basis.**

Background

The Social Services Agency established the SSI Advocacy Program in the County of Santa Clara in 1985. This program provides targeted assistance to General Assistance clients who appear to meet the qualification standards for federal Supplemental Security Income (SSI), and need assistance in completing the SSI application. General

Assistance clients who have the following characteristics are prime candidates for assistance by the SSI Advocacy Program:

- Clients who are permanently mentally or physically disabled,
- Clients who have been medically or physically disabled for more than one year,
- Clients who are age 50 or older and have been on General Assistance continuously for more than one year; and,
- Clients who have been on General Assistance continuously for more than two years, irrespective of age.

The SSI Advocacy Unit is staffed with 11 positions, including 10 Social Workers and one Supervisor, and carries a caseload of about 650 General Assistance clients. The Unit is assisted by a Deputy County Counsel who consults with the social workers on their cases, but does not provide any direct representation of clients in the appeal process[1]. Previously, the Deputy County Counsel assigned to the SSI Advocacy Unit carried a limited caseload, which represented cases in which the County had a very significant potential financial gain if the SSI application was approved.

Once approved for SSI, the client receives monthly SSI payments that are substantially greater than the General Assistance payments previously provided by the County. SSI monthly payments amount to approximately $850 versus General Assistance payments of about $310, including food stamps. In addition, the client then becomes eligible for health services through Medi-Cal. Pursuant to State and federal regulations, when approved for SSI, eligibility for both income and health insurance benefits begins on the date the client first applied for SSI benefits, so long as there was not a period of six months or longer during which the client's application was inactive. Furthermore, the County is entitled to obtain federal reimbursement for its General Assistance payments made during the application period (referred to as interim assistance), as well as State reimbursement for the cost of any medical, mental health or drug and alcohol services provided subsequent to the effective date of retroactive SSI eligibility as specified by the Social Security Administration.

Following the creation of the SSI Advocacy Unit in 1985, the Board of Supervisors assigned the Management Audit Division to perform a cost-benefit analysis of the SSI Advocacy Unit in 1988, to determine if the Unit was fully self supporting, based on the recovery of SSI interim assistance, VMC hospital costs, Mental Health Department costs and Department of Drug and Alcohol costs. Based on our 1988 report and a separate review in 1992, it was determined that the SSI Advocacy Unit was in fact fully self-supporting when both the recovery of interim assistance payments from federal SSI monies and Medi-Cal reimbursement of all health and hospital costs were considered. However, both reports stated that Valley Medical Center, the Department

[1] Initial applications by disabled residents to the Social Security Administration for SSI are frequently denied, triggering a lengthy appeals process often ending with a decision on the application by an Administrative Law Judge.

of Mental Health and the Department of Alcohol and Drug Services were not processing the monthly lists of SSI approvals and thereby not recovering more than $1 million dollars of reimbursements annually. At the direction of the Board of Supervisors, the HHS Patient Business Services Division implemented procedures to process the monthly list of SSI approvals and submit retroactive Medi-Cal claims for eligible SSI patients. VMC subsequently reported collecting more than $1 million dollars of Medi-Cal reimbursements from backlogged lists of General Assistance clients approved for SSI.

Current Status of General Assistance Recovery by the SSI Advocacy Unit and Health and Hospital System Medi-Cal Reimbursement of SSI Patient Services

SSI Advocacy Recovery of General Assistance

During the past five fiscal years, the Social Services Agency reported an average of about 40 SSI approvals per month, or about 480 per year. A total of 492 SSI approvals, or an average of 41 per month occurred in FY 2007-08. The SSI Advocacy Unit is currently staffed with 10 Social Workers and a Supervisor, which is down about 30 percent from its authorized staffing level of 13 Social Workers and a Supervisor. The current caseload of the Unit is approximately 650 assigned cases, although there are approximately 900 additional General Assistance cases in which the recipient is considered unemployable. Of these cases, about 377 have been on General Assistance and considered unemployable for at least one year, but the cases have not assigned to the Unit due to a lack of staffing and other factors.

Based on data reported by the Unit, the annual recovery of General Assistance provided to indigent residents of the County has grown from $886,929 in FY 2004-05 to approximately $1,300,000 in FY 2007-08, or about 78 percent of the Unit's $1,670,000 annual budget. Since this recovery only accounts for reimbursement of General Assistance monies provided to clients and none of their medical expenses, when the Medi-Cal revenues that are received for SSI patients are added to the amounts recovered for General Assistance payments made by the County to these clients, the operations of the SSI Advocacy Unit result in net income to the County. However, the annual net income would be substantially more than it currently is if the Health and Hospital System fully billed Medi-Cal for all of the medical services provided to General Assistance clients approved for retroactive Medi-Cal.

Health and Hospital System Medi-Cal Reimbursement of SSI Patient Services

As a part of the 2008 management audit of the SSA-Department of Employment and Benefit Services, we met with the Director, several managers, and numerous staff of the Patient Business Services Division of the Health and Hospital System to review and test the current procedures followed regarding processing the monthly list of SSI approvals received from the Social Services Agency. We also sampled and analyzed billing and reimbursement records to determine the extent of annual reimbursements received from Medi-Cal for SSI approved clients who were formerly on General Assistance.

Table 1.1 summarizes the results of this analysis, and is followed by a discussion of specific findings and conclusions that were identified for each of the seven separate billing operations within the Health and Hospital System. The column references pertain to the applicable columns in Table 1.1, which follows.

Table 1.1

Estimated Annual Loss of Medi-Cal Reimbursement
Resulting From Unclaimed Health and Hospital Charges for Services Provided to General Assistance Patients

	VMC Hospital and Clinics				Mental Health/Drug & Alcohol/Public Health					Total
	Inpatient*3 (Col 1)	Outpatient*4 (Col 2)	Professional (Col 3)	Outpatient Pharmacy (Col 4)	BAP Inpatient (Col 5)	Priv Hosp Inpatient*2 (Col 6)	Outpatient (Col 7)	Pub Hlth Pharmacy (Col 8)	Fee-for-Svc Program (Col 9)	(Col 10)
Number of Clients in sample	101	101	101	101	101	2,412	101	101	101	
Percent of Clients with Unbilled Charges*1	6.9%	46.5%	6.9%	70.3%	3.0%	1.2%	43.6%	3.0%	5.9%	
Average Annual Number of General Assistance Clients Approved for SSI	492	492	492	492	492	492	492	492	492	
Projected Average Annual Number of SSI Approved General Assistance Clients Not Billed	34.1	229.0	34.1	345.9	14.6	5.9	214.3	14.6	29.2	
Amount of Unbilled Charges Based on Sample of 101 SSI Approved General Assistance Patients	$273,527	$426,625	$16,612	$183,117	$39,178	$166,169	$651,554	$263	$3,345	
Average Amount of Unbilled Charges Per Patient	$39,075	$9,077	$2,373	$2,579	$13,059	$5,730	$14,808	$131	$557	
Average Amount of Unbilled Charges Per General Assistance Client Approved for SSI	$2,708	$4,224	$164	$1,813	$388	$69	$6,451	$3	$33	$15,853
Projected Average Annual Unbilled Charges	**$1,332,429**	**$2,078,211**	**$80,922**	**$892,017**	**$190,847**	**$33,895**	**$3,173,907**	**$1,921**	**$16,293**	**$7,800,441**
Estimated Medi-Cal Reimbursement Rates	36.21%	18.02%	16.95%	78.48%	39.48%	50.00%	39.48%	78.48%	16.95%	
Projected Annual Loss of Medi-Cal Revenue	**$482,501**	**$374,494**	**$13,716**	**$700,055**	**$75,347**	**$16,948**	**$1,253,058**	**$1,507**	**$2,762**	**$2,920,387**

Patient Billing System	Invision	Invision	Signature	PCSI	Invision	Manual	Unicare	PCSI	Diamond	**37.44%**

NOTES:
*1 A systematic random sample of 101 SSI approvals was selected from SSI approvals between July 2003 and October 2007.
*2 Four years of inpatient records were compared against five years of SSI approvals (2,412) in a 100% sample. 104 patients had 195 unbilled events of 2,681 total events during the four year period. Excludes $1,388,040 in Fremont Hospital charges. Percent reimbursement amounts to the federal 50 percent share reported by HHS fiscal staff.
*3 Daily inpatient fixed rate and number of patient days used to calculate lost Medi-Cal inpatient revenue.
*4 Unbilled outpatient charges includes $22,604 of unidentified charges.
*5 BAP Inpatient charges are billed through the Invision Billing System.

(1) HHS Inpatient & Outpatient Hospital & Clinic Services (Column 1 and 2)

All Valley Medical Center (VMC) hospital charges, including outpatient charges for emergency and clinic services are billed through the Invision billing system by the Hospital Inpatient and Outpatient Services Billing Unit (HIOSB) within the Patient Business Services Division. This is the only HHS unit that has been receiving and processing the monthly Social Services Agency list of SSI approvals. Although the HIOSB Unit receives and processes the monthly list of SSI approvals, based on discussions with the manager of the unit and staff assigned to work the SSI approval list, current processing procedures did not identify and bill many retroactively billable charges. It was also determined that the Unit's written procedure pertaining to the processing of SSI approvals is incomplete and does not fully describe the steps required to ensure the identification of all retroactively billable services and the timely preparation of a Medi-Cal claim.

In order to test the accuracy of the current processing procedures used by the PBS Hospital Inpatient and Outpatient Services Billing Unit, we selected a systematic random sample of 101 Social Services Agency clients who were approved for SSI during the past five fiscal years. We then researched each of these clients in the Unit's Invision billing system to determine if any of the clients had been patients at VMC, and if so, had they received services at County expense during their period of retroactive eligibility, without third party reimbursement.

A total of 100 of the 101 clients, 99.0 percent, had in fact received services at VMC, and of those, 53.5 percent had received services provided at County cost without reimbursement, even though these clients were included on the monthly list of clients who were eligible for retroactive Medi-Cal coverage. During the past four fiscal years, the monthly list of General Assistance clients approved for SSI has averaged 41, or a total of about 492 annually. The average amount of unreimbursed hospital charges per client in the 101-client sample was $6,932 ($2,708 inpatient and $4,224 outpatient). Therefore, on an annual basis, the projected amount of unbilled hospital charges for 492 SSI eligible clients amounts to approximately $3,410,639 ($1,332,429 inpatient and $2,078,211 outpatient).

In discussing this matter with staff, it was determined that the HHS written procedure for processing the monthly Social Services Agency list of SSI approvals did not specify the time requirements for obtaining a Letter of Authorization from the Social Services Eligibility Bureau at VMC in order to bill Medi-Cal retroactively, nor did the procedures specify any length of time limitation on retroactive billing of services previously provided. Although staff was operating under an assumption of a six-month maximum period of retroactivity, in fact, there is no limitation other than the date of SSI eligibility specified on the SSI approval notice received for each client from the Social Security Administration. Typically, most SSI approvals take two years or more, but some have taken longer than 10 years from the date of application until final approval. Consequently, due to the length of time clients approved for SSI are typically eligible for retroactive billing, and the high percentage of General Assistance clients who are patients at VMC, the efficient processing of Social Service Agency clients approved for

SSI provides an ongoing opportunity to recover a substantial amount of County health service costs through increased Medi-Cal reimbursements.

In order to determine the amount of actual reimbursement that could be expected from Medi-Cal, a separate sample comparing Medi-Cal reimbursements to Medi-Cal outpatient charges was taken. This sample determined that the actual outpatient services reimbursement rate is approximately 18.02 percent. A similar analysis was performed for inpatient charges comparing total inpatient charges for a sample of inpatients to actual Medi-Cal reimbursements, based on the County's Medi-Cal daily inpatient contract reimbursement rate. This sample determined that the actual reimbursement rate for inpatient services is approximately 36.21 percent. Therefore, it is estimated that the Health and Hospital System could recover about $856,995 annually by diligently processing retroactive Medi-Cal claims for inpatient and outpatient hospital and clinic services provided to Social Services Agency clients approved for SSI.

(2) HHS Inpatient and Outpatient Professional Fees (Column 3)

In addition to hospital charges, professional fees are separately billed to recover the cost of physicians, surgeons and other medical staff. All Valley Medical Center (VMC) professional inpatient charges, including outpatient professional charges for emergency and clinic services, are billed through the Signature billing system by the Hospital Professional Services Billing Unit (HPSB) within the Patient Business Services Division. The Professional Services Billing Unit has not been directly receiving and processing the monthly Social Services Agency list of SSI approvals, but instead relies on Hospital Inpatient and Outpatient Services Billing Unit (HIOSB) staff to advise them of any patients who have been approved for SSI retroactively. However, because the current processing procedures of the HIOSB Unit did not identify and bill many retroactively billable charges, the Hospital Professional Services Billing Unit staff also did not identify and bill all retroactively billable services.

Using the same 101 SSI approved client sample used for analyzing hospital charges, it was determined that seven clients had received professional services during their period of retroactive Medi-Cal eligibility that had not been billed to Medi-Cal. The unbilled professional charges for the seven patients in the sample amounted to $16,612. Based on approximately 492 new SSI client approvals annually, total unbilled professional charges amount to about $80,922. A separate sample of 327 professional service charges billed to Medi-Cal determined that the Medi-Cal reimbursement rate for professional services amounted to approximately 16.95 percent resulting from payments of $34,661 on charges of $204,524. Therefore, it is estimated that the Health and Hospital System could recover about $13,716 annually by diligently processing retroactive Medi-Cal claims for professional services provided to Social Services Agency clients approved for SSI.

(3) HHS Outpatient Pharmaceutical Charges (Column 4)

The Ambulatory Pharmacy Services Division of Valley Medical Center uses the Pharmacy Computer Services, Inc. (PCSI) billing system to oversee the management of and billing for all pharmaceuticals issued by VMC's eight clinic pharmacies, including

(1) VMC Outpatient Pharmacy, (2) Enborg Lane Pharmacy, (3) Silver Creek Pharmacy, (4) Moorpark Pharmacy, (5) Bascom Pharmacy, (6) East Valley Pharmacy, (7) Tully Pharmacy, and the (8) San Martin Pharmacy. The PCSI system is also used by the Public Health Department for operations and billing for its Lenzen Pharmacy. The FQHC clinic pharmacies do not bill separately for their pharmaceuticals.

Again, using our sample of 101 SSI approved clients to compare with the patients listed in the PCSI pharmaceutical billing system, it was determined that 70.3 percent of the clients had been patients at County facilities, and had received pharmaceuticals within their period of retroactive eligibility that had not been billed to Medi-Cal. The unbilled pharmaceutical charges for the clients in the sample totaled $183,117, or an estimated $892,017 on an annual basis. Based on a separate sample of actual Medi-Cal reimbursements of pharmaceutical charges, the approximate Medi-Cal reimbursement rate was 78.48 percent. Therefore, it is estimated that the Health and Hospital System could recover about $700,055 annually by diligently processing retroactive Medi-Cal claims for pharmaceuticals provided to Social Services Agency clients approved for SSI.

(4) Mental Health Department Inpatient Services (Column 5 and 6)

County's Barbara Arons Pavilion

The only County operated mental health inpatient facility is the Barbara Arons Pavilion located on the VMC campus. Inpatient charges for this facility are billed by HHS-Business Patient Services through the Invision billing system. The comparison of our sample of 101 SSI approved clients with Invision billing records, showed that 3.0 percent of the SSI approved General Assistance clients had been patients in the Mental Health Department's Barbara Arons Pavilion. The unbilled inpatient charges for the three patients in the sample amounted to $39,178. Based on approximately 492 new SSI client approvals annually, total unbilled Barbara Arons Pavilion inpatient mental health charges are projected to amount to about $190,847 annually. To determine the Medi-Cal reimbursement rate of inpatient charges for services provided in the Barbara Arons Pavilion, Patient Business Services Mental Health billing staff compiled a sample of FY 2007-08 actual Medi-Cal reimbursements for inpatient services in the Barbara Arons Pavillion. The sample showed a reimbursement rate of 36.82 percent based on total charges of $176,472 and total Medi-Cal reimbursements of $64,969. Therefore, it is estimated that the Mental Health Department could recover about $70,270 annually by diligently processing retroactive Medi-Cal claims for Barbara Arons Pavilion inpatient services provided to Social Services Agency clients approved for SSI.

Private Hospitals

With the exception of the Barbara Arons Pavilion, the Mental Health Department does not directly operate any mental health inpatient facilities that meet State Medi-Cal reimbursement standards, which limits inpatient facilities to non-stand-alone facilities with not more than 16 beds. The County contracts for such services with private hospitals. Health and Hospital fiscal staff monitor inpatient placements and related costs through an internal spreadsheet system that tracks each patient, the facility to which they were admitted, the length of stay and the cost. The inpatient facilities are

responsible to bill the patient's insurance provider, Medicare or Medi-Cal. If the patient is unsponsored, the County is billed.

For purposes of this audit, we compared all of the 2,680 County mental health inpatients between July 1, 2004 and June 30, 2008 against a list of 2,412 Social Services Agency General Assistance clients approved for SSI between July 1, 2003 and June 30, 2008. Based on that comparison, a total of 104 clients, or about 20.8 clients per year received inpatient services at County expense. However, an average of 15 clients per year received such inpatient services in a facility that was ineligible for Medi-Cal funding. Consequently, between FY 2004-05 and FY 2007-08 an average of only 5.8 clients per year, received mental health inpatient services in private hospitals that qualify for Medi-Cal reimbursement during their period of retroactive Medi-Cal eligibility.

However, based on the current level of 492 SSI approvals in FY 2007-08, it is estimated that 5.9 SSI eligible clients will receive private hospital inpatient services in FY 2008-09. The total amount of unbilled mental health inpatient charges is estimated to average about $33,895 annually. Therefore, based on a 50 percent federal Medi-Cal reimbursement rate, it is estimated that the Mental Health Department could recover about $16,948 annually by diligently processing retroactive Medi-Cal claims for inpatient services provided to Social Services Agency clients approved for SSI. Reimbursement would be further increased if hospitalization for this category of clients were shifted to non-stand-alone facilities with 16 or fewer beds.

(5) Mental Health Department Outpatient Services (Column 7)

Health and Hospital System Patient Business Services staff use the Unicare billing system to bill all mental health outpatient services. By comparing our sample of 101 Social Services Agency General Assistance clients approved for SSI with the patients in the Unicare billilng system, we determined that 44 of the 101 clients had received mental health outpatient services during their period of retroactive Medi-Cal eligibility that had not been billed to Medi-Cal. The amount of unbilled charges for these 44 clients totaled $651,554. Based on an average of 492 General Assistance clients being approved for SSI per year, it is projected that unbilled Medi-Cal charges for mental health outpatient services amount to approximately $3,173,907 annually. To determine the Medi-Cal reimbursement rate for mental health outpatient charges, the FY 2006-07 annual cost report to the State Department of Mental Health was used to calculate a weighted average reimbursement rate for all contract providers and County clinics. Nearly 21 million units of service and $66.5 million of charges were submitted to the State for Medi-Cal reimbursement. In total, the County was reimbursed $26.3 million for mental health outpatient services, which equates to a 39.48 percent reimbursement rate. Therefore, it is estimated that the Mental Health Department could recover about $1,253,058 annually by diligently processing retroactive Medi-Cal claims for pharmaceuticals provided to Social Services Agency clients approved for SSI.

(6) Public Health Department Outpatient Pharmaceutical Charges (Column 8)

The Public Health Department Lenzen Pharmacy also uses the Pharmacy Computer Services, Inc. (PCSI) billing system to oversee the management of and billing for all pharmaceuticals it issues. By using our sample of 101 SSI approved clients to compare with the patients listed in the PCSI pharmaceutical billing system, it was determined that 2.0 percent of the clients had been patients at County facilities, and had received pharmaceuticals within their period of retroactive eligibility that had not been billed to Medi-Cal. In addition, another SSI approved client had received pharmaceuticals within their period of retroactive eligibility, but had been incarcerated for more than 30 days prior to receiving the pharmaceuticals, which temporarily inactivates Medi-Cal eligibility until the client notifies Medi-Cal and requests reinstatement of benefits. However, this client continued to receive medications from the public health pharmacy for an additional four months without Medi-Cal being billed. The VMC Medi-Cal Eligibility Unit advised us that any such previously Medi-Cal eligible clients should be referred to their office so that benefits can be reinstated from the date of the request for reinstatement. Consequently, the additional pharmaceuticals provided this client four months after release from custody should have been billable to Medi-Cal.

In total, the unbilled pharmaceutical charges for the three clients in the sample totaled $263, or an estimated $1,921 on an annual basis. Based on a separate sample of actual Medi-Cal reimbursements of pharmaceutical charges, the approximate Medi-Cal reimbursement rate was 78.48 percent. Therefore, it is estimated that the Public Health Department could recover about $1,507 annually by diligently processing retroactive Medi-Cal claims for pharmaceuticals provided to Social Services Agency clients approved for SSI.

(7) Mental Health Dept Professional Fees (Column 9)

Because the County Department of Mental Health does not operate any long-term psychiatric inpatient facilities, it contracts with numerous private hospital facilities when a need exists to hospitalize a County patient. Professional fees for services provided to mental health patients, while inpatients, are often included in the daily hospital rate. However, in instances where the professional fee is separately charged, the County can recover this cost for unsponsored patients who subsequently are approved for SSI, including retroactive Medi-Cal benefits.

The Mental Health Department monitors inpatient hospital billing of the County for both hospital and professional fees through the Diamond billing system. By comparing our sample of 101 SSI approved clients to the patients listed in the Diamond billing system, it was determined that 5.9 percent of the clients had been mental health inpatients at private inpatient facilities where they received professional services that had been separately billed to the County. In addition, such services were provided within the clients' period of retroactive Medi-Cal eligibility and had not been recovered from Medi-Cal by the County. The professional charges for the clients in the sample totaled $3,345, or an estimated $16,293 on an annual basis. Based on a separate sample of actual Medi-Cal reimbursements of professional charges, the approximate Medi-Cal reimbursement rate was 16.95 percent. Therefore, it is estimated that the Mental Health

Department could recover about $2,762 annually by diligently processing retroactive Medi-Cal claims for professional charges for services provided to Social Services Agency (SSA) clients approved for SSI who were inpatients in private mental hospital facilities.

Consolidation of HHS Responsibilities for Retroactive Billing and Monitoring of SSI Approved Patients

The Health and Hospital System was established by the Board of Supervisors based on a reorganization study done by the Management Audit Division in 1989. The reorganization consolidated all of the County's health, mental health and drug and alcohol functions under a single administrative agency for purposes of improving efficiency, effectiveness and economy. The consolidation was intended to eliminate duplication of budget, accounting, billing, personnel, purchasing, data processing and other administrative and support functions. However, the current organization has not fully consolidated these functions, which has contributed to the cited deficiencies related to the processing of SSI approval information received monthly by HHS from the Social Services Agency. The current HHS organization includes seven separate organizational units that have responsibility for billing some segment of HHS services, as shown below:

Health & Hosp System Service	Unit Responsible	Billing System	Receives Soc. Svcs. Mo. Report
1-Medical Inpatient/Outpatient	PBS-Hosp/Clinic Svcs	Invision	Yes
2-Professional Medical Services	PBS-Prof Svcs	Signature	No[2]
3-Outpatient Pharmacy	Ambul Pharm Svcs	PCSI	No
4-Mental Health Inpatient	HHS-Fiscal Svcs	None[3]	No
5-Mental Health Outpatient	PBS-Men Hlth Svcs	Unicare	No
6-Professional Men Hlth Svcs	Men Hlth Dept Adm	Diamond	No
7-Outpatient Pharmacy[4]	Pub Hlth Dept Pharm	PCSI	No

[2] The PBS-Professional Services Billing Unit does not receive the monthly Social Services report of General Assistance clients retroactively approved for SSI. However, the Unit is advised if the PBS-Hospital/Clinic Services Unit receives a letter of authorization (LOA) to retroactively bill a patient.

[3] Since the Mental Health Department does not operate any inpatient facilities, it monitors charges from private hospitals with which it contracts, on an excel spread sheet. The Department then notifies the contract provider if an unsponsored patient becomes eligible for Medi-Cal so that the provider can bill Medi-Cal and the County can obtain reimbursement from the contractor.

[4] A limited range of pharmaceuticals are provided to patients of the Public Health Department Lenzen Pharmacy, including tuberculosis, AIDS and other medications.

Because the HHS billing function is so fragmented and decentralized, important billing information pertaining to the retroactive billing of Medi-Cal for nearly 500 patients approved annually for SSI is not efficiently received and evaluated in a timely manner. In addition, due to the dispersion of billing responsibility, no monitoring process exists to ensure that any HHS services previously provided to patients recently approved for retroactive SSI are identified and immediately billed to Medi-Cal. Consequently, there is no accountability for the processing of retroactive Medi-Cal billing within the HHS. Therefore, the amount of unbilled Medi-Cal charges and number of years during which Medi-Cal was not billed is not precisely known, but the problem is believed to be quite material and to have existed for many years.

In order to establish accountability, ensure comprehensive and timely billing, and implement ongoing monitoring and reporting of retroactive Medi-Cal billing and reimbursements, it is recommended that a new PBS-Retroactive Medi-Cal Unit be created with the responsibility to:

- Receive the monthly SSI approvals report from the Social Services Accounts Receivable Unit.

- Distribute the report internally within HHS to all of the billing units on an expedited basis.

- Act as liaison between the HHS billing units and the Social Services Agency VMC Medi-Cal Eligibility Unit in requesting and obtaining Letters of Authorization for retroactive billing of services provided more than one year prior to the federal notice of SSI eligibility.

- Establish a tracking system to monitor confirmed services provided during Medi-Cal eligibility periods, the amounts and dates billed, the amounts reimbursed and the amounts of any receivables.

- Prepare and issue a monthly report to all HHS billing units, the Social Services Agency SSI Advocacy Unit and the SSA-Accounts Receivable Unit. Prepare and issue an annual report to the same entities and the County Executive and Board of Supervisors.

Based on its limited role, this one-position unit should only be needed as long as the HHS continues to operate multiple separate and decentralized billing systems. The new PBS-Retroactive Medi-Cal Unit should be staffed with a Senior or Supervising Patient Business Services Clerk responsible to oversee the monthly processing of SSI approval lists received from the Social Services Agency, and to prepare monthly activity and collections reports. The HHS should submit an amendment to the Annual Salary Ordinance adding this position and deleting one or more of the 16 vacant positions in the Patient Business Services Division in order to make the creation and staffing of the new unit cost neutral.

Development of Comprehensive Written Procedures for the Processing of Monthly Social Services Agency SSI Approval Reports

Currently, the HHS written procedure for the processing of Social Services Agency monthly lists of General Assistance clients recently approved for SSI is not sufficiently detailed to fully explain the processing requirements pertaining to obtaining a letter of authorization (LOA), which must accompany any billing for services provided more than one year previous to the billing date. In addition, specifics of the billing process vary between the many different billing systems, and forms that are required to be used to document and monitor retroactive Medi-Cal billing are not provided or discussed. As an example, the form used to request a letter of authorization is not included in the procedure. Federal Form 8125 is required to show proof of retroactive SSI eligibility in instances when the State's Medi-Cal computer system is not current or correct. This form is also not included or explained. The Social Services Agency-VMC Medi-Cal Eligibility Bureau also requests that Form 8125 be attached to any LOA requests. The State Department of Mental Health requires a State Form 1980 be submitted with an attached LOA, in order to retroactively bill Medi-Cal for services provided more than one year in the past. None of these forms are included with or explained in the HHS written procedure related to the work processing responsibilities of the Patient Business Services Collector preparing retroactive SSI Medi-Cal bills (Exhibit 1.1).

Exhibit 1.2 provides a proposed more comprehensive written procedure for processing retroactive SSI Medi-Cal bills that can be used by the seven HHS billing units until a special SSI Approved Retroactive Medi-Cal Billing Unit can be created. This draft procedure includes sample copies of (1) the request form for a Letter of Authorization from the Social Services Agency-VMC Eligibility Bureau, (2) a federal 8125 form specifying the approval date and date of retroactive SSI eligibility, and a State Form 1980 Medi-Cal Eligibility Worksheet required by the State Department of Mental Health to retroactive bill Medi-Cal.

CONCLUSION

The SSI Advocacy Unit and other Social Services workers and clients successfully apply for and are awarded retroactive SSI benefits for an average of about 492 General Assistance clients annually. The Social Services Agency recovers about one million dollars of General Assistance payments annually from the federal Social Security Administration pertaining to County benefits provided to these General Assistance clients. However, approximately $7.8 million of health costs incurred annually by the County for these same individuals is not billed to Medi-Cal and not recovered by the Health and Hospital System, due to inadequate policies and procedures, and a lack of monitoring and reporting on retroactive Medi-Cal billing activities. Based on an average Medi-Cal reimbursement rate of approximately 37.44 percent, the County could recover about $2.9 million annually and $1.45 million on a one-time basis, since retroactive billing of Medi-Cal must occur within six months of receipt of SSI retroactive eligibility.

RECOMMENDATIONS

The Social Services Agency should:

1.1 Transmit its monthly report of SSI approvals directly to each of the following Health and Hospital System billing units (in addition to the PBS Hospital/Clinic Billing Unit), including (1) PBS-Professional Services Billing, (2) Ambulatory Pharmacy Services Billing, (3) PBS-Mental Health Services Billing, (4) Mental Health Department Administration, (5) Public Health Department Lenzen Pharmacy Billing, and (6) HHS-Fiscal Services. (Priority 1)

The Social Services Agency has already implemented this recommendation.

The Health and Hospital System should:

1.2 Temporarily prepare and adopt a comprehensive, detailed written procedure to govern the processing of the monthly report of SSI approvals by all billing units in the Health and Hospital System. (Priority 1)

1.3 Conduct procedures training of all HHS staff who are responsible to research HHS patient records for all General Assistance clients on the monthly list of SSI approvals, and to prepare and process retroactive Medi-Cal bills. (Priority 1)

1.4 Create a new PBS-Retroactive Medi-Cal Unit staffed with a Senior or Supervising Patient Business Services Clerk responsible to oversee the monthly processing of SSI approval lists received from the Social Services Agency, and to prepare monthly activity and collections reports. The HHS should submit an amendment to the Annual Salary Ordinance adding this position and deleting one or more of the 16 vacant positions in the Patient Business Services Division in order to make the creation and staffing of the new unit cost neutral. (Priority 1)

SAVINGS, BENEFITS AND COSTS

It is estimated that the County could recover about $2.9 million annually and about $1.45 million on a one-time basis through the implementation of appropriate procedures as described herein.

S.S.I. Advocacy Process

Purpose: To capture retroactive Medi-Cal eligibility for patients who pursued fair hearings and received favorable resolution.
* Harvey Rose audit was involved in this process and reviews its progress each time they audit the hosiptal.

Work Driver: The Department of Social Services provides SCVHHS with a report listing patients/clients that have received retroactive eligibility (the month prior), once each month. The report includes: client name, date of birth, social sevurity number, date of eligibility, amount received in retroactive reimburselment.

PBS Collector:

- Receives report
- Researches patient by medical record number in all systems for outstanding charges from the date of eligibility
- Enters total charges and dates of service onto report and returns it to D.S.S. with a request for a Letter of Administrative Errors required for billing for each date of service
- Receives requested LOA's
- Reactivates historical accounts
- Recalls bad debt accounts from Department of Revenue by sending an e-mail with the eligibility info and MEDS hit (see example e-mail)
    - If date of service is within 60 days of being 1 year old the e-mail is sent as a RUSH (see example e-mail)
- Images the LOA under patient account number
- Enters comments of accounts
- Notifies billing unit when accounts are ready to be billed
- Monitors accounts until they are resolved

SSI Approved Patients – Retroactive Medi-Cal Billing

Background:

The County Social Services Agency compiles a monthly report that lists all General Assistance clients approved during the month for Supplemental Security Income and retroactive Medi-Cal by the federal Social Security Administration. This list is e-mailed to all Health and Hospital System billing units to enable retroactive reimbursement of County health care costs incurred on behalf of these SSA clients.

Purpose:

To retroactively bill Medi-Cal for health care costs incurred by patients recently approved for SSI, who were formerly General Assistance clients who may have received health care services as unsponsored patients, or patients without the ability to pay for such services.

Organizational Responsibility:

- Health and Hospital System-Patient Business Services Division:
  - Hospital/Clinic Billing Unit (Invision System)
  - Barbara Arons Mental Health Inpatient Services (Invision System)
  - Professional Services Billing Unit (Signature System)
  - Mental Health Outpatient Services Billing Unit (Unicare System)

- Health and Hospital System-Ambulatory Services Division:
  - Pharmaceutical Billing Unit (PSCI System)

- Health and Hospital System-Mental Health Department:
  - Fee-for-Service Billing Unit (Diamond Billing System)

- Health and Hospital System-Public Health Department:
  - Pharmacy Billing Unit (PSCI System)

- Health and Hospital System-Financial Services Division:
  - Mental Health Inpatient Private Hospital Billing (Excel Spread Sheet Monitoring System)

Procedure:

1. On a monthly basis, obtain the list of General Assistance (GA) clients recently approved for Supplemental Security Income (SSI) and retroactive Medi-Cal. The list includes the name, social security number, date of birth and date of retroactive eligibility. This list is compiled in the Accounts Receivable Unit within the Social Services Agency's Fiscal Services Division. You should receive this list automatically if you are included on

the email distribution list. Current SSA-Accounts Receivable Unit supervisor is Elena Caratiquit at 491-6780.

2. Immediately upon receipt of the list, look up each person on the list in your billing system, flagging any that are known to your system.

3. For each name known to the system, identify:

    a. The Date(s) of Service that were not billed to Medi-Cal, Medicare, or other third party insurer.

    b. The individual's Date of SSI Eligibility (found on the monthly list from SSA)

4. For date(s) of service within one year of the date of SSI Approval Notice (the month listed at the top of the SSA Monthly SSI Approval Report), you may bill Medi-Cal for those charges without obtaining further documentation. (skip to step 9)

5. For date(s) of service that are:

    a. further back than one year prior to the date of SSI Approval Notice

    AND

    b. on or after the individual's Date of Eligibility,

    you must obtain a Letter of Authorization (LOA) in order to bill Medi-Cal. (skip to step 7)

6. For date(s) of service that fall before the Date of Eligibility, you may not bill Medi-Cal.

7. To obtain a LOA, immediately fill out a "Request for LOA" form (Attachment 1.1) and submit it via fax to the Medi-Cal Eligibility Unit at SSA. The current SSA Eligibilty Worker responsible for issuance of LOAs is Elizabeth Miller at 278-2412.

8. Monitor your incoming fax/email/mail until you receive the LOA (usually within 10 days)

9. Retroactively bill Medi-Cal, ensuring that the LOA (if required) is submitted with the request for payment. If billing the State Department of Mental Health, State Form MH 1980 (Attachment 1.2) must be used, and the Federal Form 8125 evidencing approval of SSI by the Social Security Administration must also be submitted (Attachment 1.3).

10. Maintain a record of retroactively billed and approved SSI client's charges for which you billed Medi-Cal.

SANTA CLARA VALLEY HEALTH & HOSPITAL SYSTEM

SSI Advocacy Listing

Date: 10/09/08

To: Elizabeth Miller / DSS-T1

From: Chuck Minerva / Patient Business Services

Patient:
DOB: 11/17/45
Soc Sec #:
SSI Elig date: 01/10/06
SSI List: 02/01/08

Please provide the LOA for the following account(s):

Fin.Class:	Account #:	Date(s) of Service:	Amount ($):
4	533367538	1/1/2006	$193.09
4	534645023	2/1/2006	$ 193.00
4	535539548	3/1/2006	$ 1,611.71
4	536169220	Apr-06	$ 333.55
F	539955377	10/1/2006	$ 2,464.00
F	542724422	11/1/2006	$ 73.00
F	543882393	12/1/2006	$ 152.00
F	546377052	3/1/2007	$ 515.00
F	548955012	6/1/2007	$ 666.07
4	550494496	7/1/2007	$ 727.99
4	551924871	9/1/2007	$ 183.00
		TOTAL	$ 7,112.41

Comments:

Unable to issue LOA, client was found eligible as of 2-2008. No disability determined prior to that date.

State of California—Health and Welfare Agency

Department of Mental Health

SHORT-DOYLE/MEDI-CAL ELIGIBILITY WORKSHEET

MH-1980 (REV 5/93)

M 049001

"CONFIDENTIAL PATIENT INFORMATION. SEE W & I CODE, SECTION 5328"

PROVIDER: ____ PROV CODE ____ CLAIM FOR: MO. ____ YR ____ PROG CODE 01 MODE OF SERVICE: ____ PAGE ____ OF ____

LINE	PATIENT NAME	PATIENT RECORD NUMBER	WELFARE IDENTIFICATION NO. (OR MEDS I.D IN FIRST NINE)					YEAR OF BIRTH	SEX	RACE/ETH.	DSM III-R DIAGNOSTIC CODE	MO/YR OF SERVICE	TREATMENT DATE		24-HR CARE ADMIT DATE (MM/DD/YY)	DISCHARGED	SVC FUNC CODE	UNITS OF SVC.	UNITS OF TIME	TOTAL AMOUNT	GOOD CAUSE	DUP O'RIDE
			CO	AID	CASE NUMBER	FBU	PER NO.						FIRST	LAST								
01																						
02																						
03																						
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09																						
10																						
11																						
12																						
13																						
14																						
15																						

TOTALS		
	TOTAL REVENUE RECEIVED	

I HEREBY CERTIFY THAT A REVIEW OF ALL PATIENTS HAS BEEN CONDUCTED WITHIN 30 DAYS AFTER ADMISSION (OR DATE OF FIRST SERVICE) TO DETERMINE ELIGIBILITY FOR THE CALIFORNIA MEDICAL ASSISTANCE PROGRAM IN ACCORDANCE WITH SECTION 5719 OF THE WELFARE AND INSTITUTIONS CODE. THE PATIENTS LISTED HERE ARE THOSE WHO HAVE BEEN DETERMINED ELIGIBLE. I FURTHER CERTIFY TO COMPLIANCE WITH THE STATEMENT ON THE REVERSE OF THIS FORM.

SIGNATURE ____________________ PHONE: ____________ DATE: ____________

Social Security Administration
Supplemental Security Income
Notice of Interim Assistance Reimbursement

Date: January 17, 2008
Claim Number: 437-19-9450 DI

000000640 01 MB 0.360 0110,M01,005
A83 08S1924K35771
SANTA CLARA COUNTY SSA
FOR ACCT OF

RECOVERY & LEGAL DIV
333 W JULIAN STREET
SAN JOSE CA 95110-2314

GR CODE: 05530

Action Required By The State

Complete the State's Account of Reimbursement Claimed section by using the information in the "Retroactive Amount Due Summary." Return all but the first two pages within 10 working days to:

SOCIAL SECURITY
SUITE 350
700 E. EL CAMINO REAL
MOUNTAIN VIEW CA 94040

Things To Remember When Determining Your Amount of Reimbursement

Federally Reimbursable Interim Assistance (IA) is assistance from State or local funds to an individual for meeting basic needs during the period beginning with the first month for which such individual is eligible to receive an SSI payment of one dollar or more; or, beginning with the first day for which the individual's benefits were suspended or terminated if the individual was subsequently found to have been eligible for such payments, and ending (and including) the month payment is made.

You may recoup the assistance you paid for any month in a period as defined above for which both SSI and IA payments were made. You may not recoup for any months prior to the month in which you began paying IA in this period. If a month is not listed in the "Retroactive Amount Due Summary" you cannot recoup the assistance you paid for that month. However, if you have prepared and cannot stop delivery of the last assistance payment that you made to an individual when you receive this notice from SSA, you may recoup that assistance payment even though it is not listed in the "Retroactive Amount Due Summary".

See Next Page

SSA-1,8125

In cases where SSI payments were prorated, you must prorate the amount you recover for that month. You may only recoup the prorated amount of the full IA payable for that month. A month's payment was prorated if the day is other than the first of the month.

Assistance payments financed in whole or part from Federal funds (e.g. TANF) do not come within the meaning of interim assistance.

Privacy Act Notice

The Social Security Administration (SSA) is authorized to collect this information under Section 1631(g) of the Social Security Act. At times, it is required to determine the amount of interim assistance to reimburse the State before it can release the IAR payment to the State because of amendments to the Social Security Act such as the recently enacted large past-due SSI benefits provisions of Public Law 104-193. Failure to provide all or part of the information could prevent an accurate and timely decision on the amount of reimbursement. The information you furnish here will not be used for any other purpose.

Paperwork Reduction Act Statement

This information collection meets the clearance requirements of 44 U.S.C. section 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You are not required to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take you about 10 minutes to read the instructions, gather the necessary facts, and answer the questions.

IAR PAYMENT PENDING CASE
STATE DUE PAYMENT ********** PRIORITY HANDLING
COMPLETE & RETURN WITHIN 10 WORKING DAYS:

********** * CLAIMANT INFORMATION **********

OMB No. 0960-0546

GR code: 05530 Posteligibility

JAN 2 3 2008

Representative Payee's Name: N/A
Date of SSI Eligibility: August 30, 2005
Amount of SSI Retroactive Benefits Due: $11,487.12
Amount and Month of Recurring SSI Payment: $0.00

**********STATE'S ACCOUNT OF REIMBURSEMENT CLAIMED**********

	AMOUNT
1. Amount of interim assistance paid to the individual	$2,205.00
2. Amount of reimbursement claimed by the State	$2,205.00
	MONTH/YEAR
3. First month for which State paid IA during the interim period	SEPTEMBER 2005

Date Returned to SSA: 01/22/2008 Welfare Telephone No. (408) 491-6445 GR Code: _____

I certify that the above is an accurate statement of the amount of assistance paid and the amount of reimbursement claimed in accordance with our agreement negotiated pursuant to P. L. 93-368, as amended.

Signature	Title and Agency	Date
[signature]	Supervising Account Clerk II Recovery & Legal Services Division	01/22/2008

****

To Be Completed by SSA:

SSA Telephone Number _____

Amount of reimbursement check released to the State _____

Date _____ By _____

********** RETROACTIVE AMOUNT DUE SUMMARY ****** ********

FROM	THROUGH	AMOUNT EACH MONTH
September 1, 2005	December 31, 2005	$619.00
January 1, 2006	March 31, 2006	$611.00
April 1, 2006	October 31, 2006	$635.00
November 1, 2006	December 31, 2006	$233.00
January 1, 2007	January 31, 2007	$619.13
March 1, 2007	March 31, 2007	$84.31
May 1, 2007	May 31, 2007	$48.88

SSA-L8125

Section 2. County-wide Cost Effectiveness of the SSI Advocacy Unit

- As of January 1, 2009, 3,144 County residents were receiving General Assistance (GA) at an annual General Fund cost of approximately $7.8 million. GA caseload increased from an average of 1,216 cases in FY 2000-01 to a FY 2008-09 average of 3,286 cases. As of December 2008, 1,760 clients, or 54 percent of the GA recipients, were classified as unemployable, many due to disability.

  Since 1985, the Social Services Agency has operated an SSI Advocacy Unit to proactively assist GA clients to apply for federal Supplemental Security Income (SSI). Transitioning a client from the County's GA Program to the federal SSI Program, results in an estimated County-wide benefit of approximately $10,149 per SSI approval.

- Although the SSI Advocacy Unit historically averaged about 21 case approvals per year per worker, no periodic statistical or management reports have been produced by the Unit since FY 2004-05. The Unit supervisor estimates the average annual number of case approvals per worker to be 15 to 16 cases, while SSA Administration believes the average number of case approvals to be only about 10.4 cases per worker per year.

  Furthermore, an April 2007 organizational change in the client referral process to the SSI Advocacy Unit resulted in more than 100 cases not being referred during the subsequent year, even though clients were continuously receiving GA and had been documented for more than one year as being unable to work.

  Lastly, SSI Advocacy Unit staffing has declined from 13 authorized positions to six positions assigned to SSI Advocacy Unit cases, and four positions outstationed to homelessness prevention centers with responsibility for any SSI cases that they can generate from those sites. However, Agency budget reduction plans potentially would eliminate three of the 10 positions assigned to the SSI Advocacy Unit.

- As a result, disabled GA clients will remain on GA indefinitely or longer than would otherwise be necessary, and will receive health and hospital services entirely at County cost, rather than through the State and federally funded Medi-Cal Program.

- By reimplementing monthly SSI management information reports to track all its cases, and progressively increasing staffing of the SSI Advocacy Unit as long as it operates on a County-wide cost recovery basis, the County can minimize its net cost of support and medical services to GA clients.

The General Assistance (GA) Program in the County of Santa Clara provides cash aid and non-cash benefits to indigent County residents who have no means of support or other public or private resources. General Assistance is mandated pursuant to California Welfare and Institutions Code Section 17000.5, which requires the Board of Supervisors of each county to determine the level of assistance. The FY 2008-09 grant totals approximately $312, including cash of $147 and $165 of federal food stamps. The GA Program has grown by 170 percent during the past nine years from a FY 2000-01 caseload of 1,216 cases to a FY 2008-09 average caseload of 3,286 cases. The estimated total FY 2008-09 General Assistance cost amounts to approximately $7.8 million, and is entirely funded from the General Fund. An April 2008 report identified a total of 1,654 clients designated "Unemployable," or 51.4 percent of the 3,217 total open General Assistance cases. Subsequently, as of December 2008, the number of General Assistance cases designated as "unemployable" had grown to 1,760, or 56 percent of the 3,144 total open General Assistance cases.

Establishment of the SSI Advocacy Program

In the early 1980s, the County recognized the need to become proactive by assisting General Assistance clients to apply for federal Supplemental Security Income (SSI) benefits, thus relieving the County of financial responsibility when successful. In FY 1985-86, the SSI Advocacy Unit was established in the Social Services Department and staffed with a half-time supervisor, two social workers, a clerk and limited part-time consultation from a deputy county counsel. The SSI Advocacy Program was immediately successful and grew to three social workers in FY 1986-87, 3.5 social workers in FY 1989-90, five social workers in FY 1990-91 and so on, until it reached a maximum authorized staffing level of 13 social workers. The FY 2008-09 budget authorization includes 10 social workers. When the Program successfully obtains approval of SSI for a General Assistance client, the benefit to the County includes (1) federal reimbursement of prior General Assistance costs, (2) avoidance of future General Assistance costs, and (3) federal Medi-Cal reimbursement of prior and future health and hospital costs. Our analysis of the average value of increased revenues and reduced expenditures received by the County for each General Assistance client approved for SSI is estimated to amount to $10,149 as described in Section 1 of this report. The General Assistance clients targeted to apply for SSI are those unable to work due to disability, which include many recipients classified in the GA Program as "unemployable' for purposes of participating in job search training and public service jobs to pay back their GA benefits.

SSI Approval Rate

From its inception in FY 1985-86 until 2005, the SSI Advocacy Program carefully monitored its caseload and reported approvals in a monthly report on a case-by-case basis. The SSI case approvals reported were only those cases that were assisted by workers in the SSI Advocacy Unit, since many General Assistance clients are able to obtain SSI approval with the assistance of family members and/or other outside sources. Based on these monthly reports, the average number of SSI approvals per SSI Advocacy Program social worker between FY 1985-86 and FY 1990-91, as reported in our October 5, 1992 audit of the SSI Advocacy Program, was as follows:

Table 2.1

Comparison of the Average Number of SSI Approvals Per Social Worker in the SSI Advocacy Unit FY 1985-86 to FY 1991-92

Fiscal Year	Average Number of SSI Approvals Per Worker
FY 1985-86	19
FY 1986-87	19
FY 1987-88	19
FY 1988-89	20
FY 1989-90	18
FY 1990-91	28
FY 1991-92	25

The average number of SSI approvals during this seven-year period was 21 cases per SSI Advocacy social worker. However, the SSI Advocacy Unit supervisor reported that the Unit discontinued preparation of the detailed monthly report of cases approved for SSI in FY 2004-05 with the inception of the CalWIN case management system and discarded the binder containing all prior monthly reports. Consequently, no data on the rate of approvals per worker has been generated by the Unit during the past four fiscal years, or for the period from FY 1992-93 through FY 2003-04. It is not possible to determine the number of SSI approvals that were directly attributable to the efforts of the SSI Advocacy Unit simply by analyzing the total number of SSI approvals received, since not all cases approved received assistance from the Unit. However, the SSI Advocacy Unit supervisor estimated that the current average number of SSI approvals per worker ranges between approximately 15 and 16 clients per year. While this estimate appears to be consistent with the historic data that is available, the SSA Administration reported that its analysis of the average number of SSI approvals per worker for FY 2007-08 was approximately 10.4. The Administration's FY 2007-08 estimate was based on a review of the case information in the SSA CalWIN computer system pertaining to the 491 cases approved for SSI in FY 2007-08. In order to determine the actual number of SSI approvals obtained for General Assistance clients through the efforts of the SSI Advocacy Unit, the Unit should begin maintaining a log of clients within their caseload that are approved for SSI. The log should include the date of SSI approval, the client name, the assigned caseworker, the date of retroactive eligibility, the amount of interim assistance reimbursement received, and the amount of future General Assistance costs avoided (one year of General Assistance).

Referral of General Assistance Cases to the SSI Advocacy Unit

Until April 2007, Vocational Services staff were primarily responsible for making referrals to the SSI Advocacy Unit, reflecting the relationship between potential SSI eligibility and the ability to work. However, in April 2007, the business process changed and the responsibility for making SSI Advocacy referrals shifted to the eligibility workers.

The General Assistance Handbook instructs eligibility workers to refer to the SSI Advocacy Unit any General Assistance clients who meet any of the following criteria:

- Permanent mental and/or physical disability
- Medically or physically disabled for 12 months or more
- 12 months or more of continuous General Assistance eligibility and 50 years of age or older
- Two or more years duration on General Assistance

Once one or more of the above criterion is recognized, the Eligibility Worker completes the referral using an online system. With the assistance of the clerical staff, the SSI Advocacy Unit supervisor then receives the referral and assigns the case to a social worker.

However, in April 2008, prompted by a drop in the number of referrals it was receiving, the SSI Advocacy Unit conducted a special project to screen through the Department's list of General Assistance clients who were designated as "Unemployable," but who had not been referred to the SSI Advocacy Unit, in order to find potential candidates for SSI. As of April 2008, the total number of General Assistance cases was about 3,217, of which 1,654, or 51.4 percent were designated as unemployable. In addition, 753 of the 3,217 General Assistance clients were age 60 or older. Of the 1,654 cases reviewed, the Unit found 571 cases that were eligible for SSI Advocacy Unit referral. The project participants also wrote a memo summarizing their work and recommending certain actions to improve the ability of their unit to efficiently process more cases. Chief among their requests was that Eligibility Workers execute more referrals, especially for the obvious cases of long-term identified Unemployables. This sentiment was reiterated in interviews with Unit staff.

Subsequent to the review of the "Unemployables" list conducted by SSI Advocacy Unit staff in April 2008, SSA Administrative staff also reviewed the additional cases the SSI Advocacy Unit had identified as appropriate for referral to the Unit, but only identified approximately 119 cases that eligibility workers failed to refer during the past year, rather than the 571 identified by the SSI Advocacy Unit. Nevertheless, the procedural shift in responsibility from Vocational Services staff to eligibility workers to make referrals to the SSI Advocacy Unit was not working as intended. At a minimum, 119 General Assistance clients designated as unemployable continued to receive General Assistance benefits during the year, without receiving assistance to apply for federal SSI benefits, thereby increasing the County's General Assistance cost and inflating the General Assistance caseload.

Later, in December 2008, there were approximately 3,144 General Assistance cases, with about 1,760 individuals, or 56.0 percent of the General Assistance caseload, labeled "unemployable." This means that the client has on file official medical verification of inability to work. Of those unemployables, only 429 (fewer than 25 percent) were assigned to the SSI Advocacy Unit caseload. Although many of the remaining 1,332

cases were not appropriate for referral, had previously been referred and were rejected, or did not meet the criteria described above, the 653 cases assigned to the Unit at that time substantially exceeded the normal caseload level of 35 cases per social worker used by the Unit since its beginning in the late 1980s.

SSI Advocacy Unit Caseload

As of December 2008, the SSI Advocacy Unit's caseload was 653 cases. While the average caseload is 65 cases per worker, the range is 55 to 82. The Unit leaders state that this is a maximum and perhaps too high to efficiently work the cases. This conclusion is supported by both the historic program norm of 35 cases, as well as the recommended caseload level of the current SSI Advocacy Unit supervisor. Timeliness in case management is critically important with SSI applicants, since the regulations state that retroactive eligibility only applies to periods in which the applicant did not go more than six months without applying for SSI or appealing a decision. Since it is common for applicants to apply two or more times before finally being approved for SSI, and since this period of "interim assistance" for which the County may ultimately be reimbursed is often two or more years in length, it is important that the cases be kept current. Therefore, if a worker is hampered with too heavy a caseload and is not able to do high quality work, the window in between applications may exceed six months, which will ultimately lead to a smaller reimbursement for the County. This is evidenced by the actual results of SSI approvals during FY 2007-08. General Assistance clients representing themselves or with outside assistance who were approved for SSI generated an average interim assistance reimbursement for the County of only $1,444, while the average interim assistance reimbursement for General Assistance clients represented by the SSI Advocacy Unit amounted to $2,460.

Table 2.2 on the next page shows the full 653-case caseload broken down by stage in the SSI application process, listed in chronological order with the first step listed at the top and the last step listed at the bottom. The column on the far right indicates the average date on which the cases were referred to the SSI Advocacy Unit. As expected, more recently referred cases are in the earlier stages of the process.

Table 2.2

SSI Advocacy Case Stage as of December 2008
(in chronological order)

Stage	Count	Percent of Total	Average Refer Date
No claim submitted yet	144	22.1%	27-May-08
Initial Application	188	28.8%	20-Jan-08
Reconsideration	105	15.9%	7-Nov-07
ALJ Hearing	207	31.7%	14-Jul-07
Appeals Council	9	1.4%	7-Jan-06
Appeals to Appeals Council	1	0.2%	21-Mar-08
Total	**653**	**100%**	**27-Nov-07**

A substantial portion, 22 percent, of cases referred to the Unit had not yet completed the first step of the process, submitting the initial application. The average date of referral for these 144 cases was May 27, 2008, more than six months prior to the date when this status was reported to the Management Audit Division. This group represents a substantial backlog of cases requiring attention. Some of these clients may be difficult to locate due to homelessness or other personal challenges, which makes it difficult to obtain a signature for their application. The relatively high average caseload would also explain why no claim had been submitted for a large number of cases.

Analysis of the Fiscal Effects of Eliminating Positions from the SSI Advocacy Unit

Subsequent to issuing the draft of this report in December 2008, the SSA Administration reported that more than 200 of the 653 SSI Advocacy Unit cases had been closed. Of the 10 social workers assigned to the SSI Advocacy Unit, four were reassigned to homelessness prevention service centers with the objective of building SSI caseloads directly with homeless persons, whether or not they are currently GA recipients. As of February 20, 2009, 32 cases had been opened by workers at one of the centers, including four that did not involve General Assistance clients. The number of cases opened for non-GA clients at the other center is not known. Due to the reassignment, the four outstationed social workers were relieved of their existing SSI Advocacy Unit caseloads, which were subsequently distributed among the remaining six social workers in the Unit. In addition, we were further advised that the Social Services Agency is considering eliminating three of the 10 social workers in the SSI Advocacy Unit as a part of its FY 2008-09 budget reduction strategy.

Each of the social workers in the SSI Advocacy Unit is classified as Social Worker II. The average annual cost of a Social Worker II, including salary and benefits, is $106,655. However, 50 percent, or $53,328 of this cost is reimbursed by federal Title XIX Medi-Cal funding. Using the SSA Administration FY 2007-08 estimate of 10.4 SSI approvals per social worker per year, the average amount of financial benefit to the County that is produced by each social worker is approximately $105,550, or a net benefit of $52,222 per position annually. By comparison, if the SSI Advocacy Unit supervisor's estimate of the 15 to 16 SSI approvals per social worker per year is used, the net benefit to the County is $98,908 to $109,057. Therefore, elimination of social worker positions from the SSI Advocacy Unit would result in the loss of hundreds of thousands of dollars annually, depending on the number of positions eliminated and the average number of SSI approvals obtained per social worker.

Rather than curtailing the operations of the SSI Advocacy Unit, the operations should be carefully monitored and reported on a monthly basis, and increased so long as the addition of resources to the Unit produce a net benefit to the County. For comparative purposes, we contacted the Human Services Agency (HSA) of the City and County of San Francisco, which operates an SSI Advocacy Program to transition disabled General Assistance clients to SSI. In comparison to the County of Santa Clara, which has a General Assistance caseload of about 3,100 clients, San Francisco's General Assistance caseload numbers about 7,000. However, based on discussions with both fiscal administrative and SSI Program management staff of the Human Services Agency (HSA) of the City and County of San Francisco, the HSA has been progressively expanding its SSI Advocacy program, which has been highly effective in obtaining SSI approvals for its disabled General Assistance clients, while concurrently producing net revenues for the City and County (Attachment 2.1).

Between April 2006 and March 2007, the HSA SSI Advocacy Program performed assessments on 669 General Assistance clients and accepted 343 into the SSI Advocacy Program. As of January 2008, 181 of the 343 client SSI applications had been adjudicated, of which 99 percent were approved and enrolled in SSI. The San Francisco SSI Advocacy Program includes 32 positions and generates approximately 50 SSI approvals per worker per year. Program social worker staffing grew from four to 10 and then to 16 positions. In addition, the Program includes five psychologists, four physicians, two medical records clerks, two outreach positions, two supervisors and a manager. The HAS estimates that the SSI Advocacy Program produces a net benefit to the City and County of about $1.1 million annually.

Management Information

The SSI Advocacy Unit currently receives no regular management information reports. Most of the data that we used in this section had to be specially compiled, as no summary reports are generated by the current SSI Advocacy computer system. The Unit supervisor should be receiving and monitoring information on caseload of each worker, backlogged cases, cases completed per worker and in total, length of time to complete cases, amount of General Assistance payments recovered, amount of Medi-Cal reimbursement received by the County Health and Hospital System, etc. This information is needed in order to manage caseload per worker, flex staffing based on

total Unit caseload and backlog. It is also needed to monitor worker productivity and focus training needs. Total Unit costs versus financial recovery can also be used to justify continuation of the Unit and staffing increases. The staff social workers in the Unit should also receive some of this information, especially that pertaining to cost recovery and savings levels, so as to inform them of the County financial impact of their advocacy work.

In approximately November 2008, the Department began to produce some management reports regarding the SSI Advocacy Unit that include some of the recommended caseload information. However, additional steps need to be taken, including preparing written procedures explaining the reports, how they are used, how often they are produced, who is responsible for their production, who the reports are distributed to, and how the reports can be used to manage the SSI Advocacy Unit. In addition, the value of the management reports will be substantially negated if they are not provided to the SSI Advocacy Unit supervisor and staff as appropriate in order to improve the Unit's operational efficiency.

Improved Coordination with Mental Health Department

Based on our sample of SSI approved General Assistance clients, approximately 48 percent were known to the Mental Health Department, and in many cases were receiving services for years prior to receiving SSI approval. By improving coordination between Mental Health and the SSI Advocacy Unit, including potentially assigning an SSI Advocacy Unit staff person to the Mental Health Department on a periodic basis to assist patients to apply for SSI, the County may be able to minimize the time disabled persons spend on General Assistance, and increase the number of disabled persons who apply for and receive SSI.

CONCLUSION

The number of County residents receiving General Assistance has steadily increased since 2001, to more than 3,000 cases and an annual cost of nearly $8.0 million. The Social Services Agency program designed to identify and transition disabled General Assistance recipients to the federal SSI program has been significantly reduced, and faces further staffing reductions in FY 2009-10, even though each social worker in the SSI Advocacy Program produces a County-wide net General Fund benefit. The operations of the SSI Advocacy Program have been hampered due to inefficient client referral procedures and the absence of essential management information necessary to manage day-to-day operations. Delays in referring and processing cases increases County General Assistance and medical costs, and decreases the number of SSI approvals obtained and the amount of State and federal reimbursements received for disabled General Assistance clients.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

2.1 Thoroughly train all eligibility workers to recognize and refer cases of potential disability, set targets for increased referral rates, and monitor referrals from the existing list of "unemployables" in order to ensure the timely referral of all disabled General Assistance clients. The SSI Advocacy Unit supervisor should also review the list of unemployable General Assistance recipients every six months to ensure that no potentially disabled clients have been overlooked by eligibility worker screening. (Priority 1)

2.2 Continually monitor the number of SSI approvals resulting from the work of the SSI Advocacy Unit, calculate the average County-wide cost/benefit of the workers assigned to the Unit, and progressively add social workers codes to the SSI Advocacy Unit as long as it operates on a County-wide cost recovery basis. It is further recommended that the SSI Advocacy Unit maintain a log of case approvals as described in this section. (Priority 1)

2.3 Improve the SSI Advocacy Unit management information system by developing a comprehensive set of periodic (monthly/daily) reports so that the Unit Supervisor receives and monitors information on caseload of each worker, backlogged cases, cases completed per worker and in total, length of time to complete cases, amount of General Assistance recovered, amount of Medi-Cal reimbursement received by HHS, and other data as appropriate. (Priority 3)

SAVINGS, BENEFITS AND COSTS

By increasing the number and timeliness of SSI Advocacy referrals and adding Social Worker II codes to the SSI Advocacy Unit as long as the Unit operates on a County-wide cost recovery basis, the Department could significantly increase the number of General Assistance clients that transition to SSI and minimize its net cost of support and medical services provided to General Assistance clients.

City and County of San Francisco

Gavin Newsom, Mayor

Human Services Agency
Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

To: Mayor Newsom
From: Trent Rhorer
Re: Proposed Current Year SSI Advocacy Expansion
Date: January 29, 2008

At your request, I have prepared a proposal to expand HSA's SSI Advocacy program in the current fiscal year without an additional budget appropriation or the creation of new positions. The expansion is anticipated to generate a net increase in revenue beginning in FY 08-09, and to result in a projected 138 additional clients being awarded SSI each year once fully implemented. Under separate cover, I will be forwarding you an additional proposal to further expand SSI Advocacy in the budget year.

Background

Supplemental Security Income (SSI) advocacy programs assist persons with disabilities who are eligible for federally-funded SSI or Social Security Disability Insurance benefits but are incapable of obtaining or retaining benefits on their own. Such programs benefit clients, who receive a monthly cash grant as well as Medi-Cal coverage. They also benefit the county, which receives retroactive reimbursement for uncompensated medical care and/or county welfare expenditures for individual who later qualified for SSI. The county also avoids incurring future costs on these types of expenditures.

Existing Efforts

HSA and the Department of Public Health both fund SSI advocacy services. A 2004 analysis found that most City-funded programs had a benefits award rate of 80% to 90% of adjudicated cases, as compared to a nationwide rate of about 40%.

DPH advocacy services are targeted to Community Mental Health Services (CMHS) clients, high users of EMS services, patients with HIV/AIDS and clients receiving in-patient services. DPH has a civil service advocacy group that conducts SSI advocacy for clients with mental health or medical disabilities, and also contracts with nonprofit partners for advocacy services. Data from FY 04-05 indicates that cases were decided for 61% of the 294 CMHS clients who received advocacy service, and that 88% of those decisions resulted in the client being awarded benefits.

HSA performs SSI assessments and advocacy using in-house staff from the Disability Evaluation and Consultation Unit (DECU) and the SSI Case Management unit (SSI-CM), respectively. Services are targeted to clients who receive county-funded aid through the County Adult Assistance Programs (CAAP). Approximately 669 clients were assessed by HSA from April 2006 to March 2007. Of the 343 who received advocacy services, 181 were adjudicated, of which 99% were enrolled in SSI. The remaining cases were still being adjudicated. For about 90% of CAAP cases awarded SSI, HSA receives an average aid reimbursement of $2,754 per case.

Since last year, HSA has systematized the referral of awarded cases from HSA to DPH to ensure that DPH can bill for retroactive Medi-Cal. Based upon a 2 year evaluation of SSI Advocacy for mental health patients, DPH can expect to recoup $3,000 annually for each mental health client awarded SSI. Approximately 21% of CAAP clients are also known to DPH-Mental Health.

Proposed Current Year Expansion

HSA proposes to expand SSI Advocacy services in the current year by contracting out front-end assessments and transferring existing assessment staff from the DECU to the SSI Case Management unit.

- In the current fiscal year, this proposal
  - will not require the addition of new positions or a new budget appropriation,
  - will require Mayor's Office approval to TX an existing position, and
  - will require Mayor's Office approval to transfer the functions of three in-house staff to a contractor. This has not yet been raised with SEIU.
- In FY 08-09, this proposal:
  - is expected to be self-funding,
  - will require Mayor's Office approval to add one new position at 0.6 FTE. Alternately, HSA is proposing to delete a number of vacant positions in the FY 08-09 budget and the Mayor's Office could elect to substitute one of these positions to the needed physician instead.

The total gross expense in the current year is estimated at $106,764 ($26,691 General Fund) and $427,057 in FY 08-09 ($106,764 General Fund).[1] This does not account for offsetting savings in cash aid and Medi-Cal reimbursements, which lag implementation but are estimated to total gross savings of $868,402 in FY 08-09 and $1.16 million in subsequent years. Once fully operationalized, this expansion will generate an estimated $1.05 million in net annual savings. (See attached for detailed calculations.)

Current year costs, which could be covered from HSA projected year end savings, are detailed below.

- $50,865 ($12,716 General Fund) to modify an existing contract to provide CAAP client assessments. HSA has a contractor that currently provides behavioral health services to CAAP clients at the same location where assessments would be performed, generating potential synergies in service delivery. HSA will provide consultation and technical assistance to the contractor. This is a 3-month contract amount which will allow the contractor to hire three Master's level staff to perform more intensive client assessments. It is anticipated that 35-40 clients per day will be assessed, which is the same number currently served by HSA staff. Those clients assessed as good candidates for SSI will be required to apply and enrolled in the Supplemental Security Insurance Pending (SSIP) program, from which the SSI-CM unit draws clients. SSIP clients receive a county-funded monthly cash grant while awaiting approval of their SSI application.

- The new contract will allow three existing 2916 Social Worker Specialists in the DECU to transfer to the SSI-CM unit, which is currently comprised of seven 2916s, 1.5 FTE 2574 Clinical Psychologists, a 0.7 FTE 2320 Nurse, and one 2230 Physician. However, additional 2916s will require more medical professional support. To achieve that, the nurse will be TX'd down to a 2574 Psychologist, leaving 2.3 FTE net new workers providing case management. Additionally, an existing 2230 Physician budgeted at 0.4 FTE will be increased to 1.0 FTE in the current year using temp salaries. The total HSA staffing cost in the current year is $55,900 ($13,975 General Fund).

If you approve this proposal, the expansion could be fully implemented by early April. The intervening two months would be required to modify the contract and allow the provider to hire and train staff.

[1] HSA has entered into discussion with the contractor but has not yet received agreement or a proposed budget to perform these services. It is possible that the estimate provided here will change somewhat.

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Section 3. Generic Intake Caseload Standard

- **The Department of Employment and Benefit Services (DEBS), is staffed with 120 Eligibility Worker III-Intake positions who process client applications for aid in the CalWORKs, Food Stamps, and Medi-Cal programs. Pursuant to the collective bargaining agreement with the County, these "Generic" Intake Eligibility Workers are required to process 40 applications per 21-day month, or 1.9 applications per day (4.2 hours per application).**

  The collective bargaining agreement also provides full work credit (compensation) for each client application appointment, whether or not the applicant shows up for the appointment.

- **However, the prevailing practice among the most populous California counties is to use a caseload range rather than a fixed standard, and not to provide workers full work credit for applications not taken due to "no-shows." Further, based on data reported to the State by each county, Santa Clara requires approximately 40 percent longer to process an application, and completes a lower percent of applications received than nine of 11 counties surveyed. Lastly, approximately one in every seven DEBS applicants (about 6,000 of 42,000) fails to show-up for their appointment.**

- **As a result, of the relatively low application processing level and the high incidence of applicant "no-shows," DEBS incurs more than $1.1 million of overtime to complete applications for assistance, the backlog of applications amounts to a 23-day wait for an appointment, and about 15 of the 120 authorized Eligibility Worker III (Generic Intake) positions, costing about $1.6 million, are required to provide services to non-existent clients who fail to show-up for appointments.**

- **By meeting and conferring with the Social Services Workers Union and adopting a workload standard consistent with other comparable counties, and discontinuing the practice of fully compensating workers 4.2 hours for "no-show" appointments, DEBS could reduce State, federal and County funded administrative processing costs related to applications for assistance by as much as $2.7 million annually.**

Background

Eligibility Process

In Santa Clara County, as in most other counties, there is a distinct set of "Intake" Workers responsible for determining initial eligibility for public assistance, separate from the "Continuing" Workers who manage on-going case maintenance. The Intake Workers are in the third and highest level of the Eligibility Worker classification and are

paid a 7.5 percent differential above continuing workers at the same level. There are approximately 120 Generic Intake Workers in 16 units throughout the County.

In San Jose, all applications and intake appointments, with the exception of most Medi-Cal only cases, are processed at the Assistance Application Center, or AAC, where there are 12 intake units. Intake Workers are also stationed at most Valley Medical Center clinics to handle clients applying for Medi-Cal on a walk-in basis. The North County and South County offices also each have two units of intake workers. Intake Workers stationed at the AAC and in North and South County are known as "Generic" Intake Workers because they process applications for multiple programs – CalWORKs, Food Stamps and Medi-Cal – and any given client may apply for one, two or all three of these programs.

Once initial eligibility is authorized, the client's case is transferred to the purview of a Continuing Worker.

CalWIN Implementation

In June 2005, the Social Services Agency implemented a new data and case management system called CalWIN (CalWORKs Information Network). This transition was initiated as a result of federal and State mandates to standardize case management technology. Eighteen California counties currently use the system and they organize the continuing development of it through participation in the *CalWIN Consortium.*

CalWIN was implemented in order to increase efficiency and reduce errors and fraud. Upon "Go Live" in 2005, Eligibility Workers experienced many implementation problems associated with CalWIN, which sometimes resulted in the incorrect determination of eligibility and benefits. Extensive training was required to build even a rudimentary skill level, and problems persisted for longer than anticipated. As of December 2008, the CalWIN Consortium had released its 18th version of the system, whereby each release corrects "bugs" and problems in the previous version. However, by the time the Management Audit Division began this study in 2008, many of the most serious implementation issues seem to have been resolved and workers reported a greater level of proficiency with the system.

Analysis of the Current Generic Intake Caseload Standard

Transitional Caseload Standard of 40 Intakes per Month

Upon CalWIN implementation, the Board of Supervisors amended the Memorandum of Agreement between the County and the Service Employees International Union – Local 535 by approving interim standards for Generic Intake Workers, considering two primary factors: 1) the new system would improve efficiencies and enable workers to process cases more quickly, and 2) these efficiencies would materialize over time as the workers became trained and skillful at operating the new system. Accordingly, the interim standard of 40 cases per worker per 21-day month, or 1.9 cases per day, was adopted as a transitional standard.

The Board of Supervisors Agenda from May 17, 2005 (Item No. 39) stated that the proposed Interim Standards (1.9 cases per day) were "temporary standards, with the understanding they would be revisited on an ongoing basis via a mutually agreeable process to accommodate lessons learned during the implementation process." (page 6)

The Generic Workers' 40 applications per month standard is the lowest of all the Intake Eligibility Workers in DEBS. Intake Workers for General Assistance and Medi-Cal are subject to a 48 application per month standard, and Foster Care Intake Workers are subject to a 50 application per month standard. The Department reports varying degrees of application processing difficulty among the different aid programs.

Fact-finding Report and Reestablishment of Caseload Standard

Following adoption of the interim standards, the Union and the Department were unable to come to agreement on a permanent standard going forward, and the Union initiated a Fact-finding proceeding, pursuant to Section 9.2 "Standards Changes" of the MOA, with an outside evaluator. The purpose of the proceedings was to provide objective information about the suitability of the various caseload standards. The Factfinder's Opinion and Recommendation[1] focused primarily on the impact of the transition to the CalWIN case processing system, which at the time had been in operation for less than one year. The primary recommendation was to hold most of the standards at the same or similar levels as the interim standards adopted by the Board during the prior year, with the understanding that a reassessment would be necessary upon collection of longer-range data. As a result, the transitional standard of 40 cases per month, or 1.9 cases per day, was reestablished as the standard for the October 18, 2006 – June 14, 2009 Memorandum of Agreement between the County and Local 535 Worker Chapter (Attachment 3.1).

The required caseload is adjusted in any given month based on a formula so that time "off the line" is factored in. For every 4.2 hours worked, the worker must perform one intake appointment. For example, if a worker is sick for one day, then the requirement for the month is reduced by approximately two cases. If the worker attends training for four hours, the requirement is reduced by approximately one case, and so on. Similarly, for every application processed in overtime, the worker must work 4.2 hours of overtime.

Standards in Comparison Counties

Santa Clara County is unique from other counties in having a standard of 40 intake appointments per month for Generic Intake Workers. Of the eight comparison counties in our survey, six reported having no rigid caseload standard for these workers, and three of those counties utilize a range while three use neither a range nor a standard. Of the two counties that do utilize a rigid standard, only one, Alameda, has a lower standard (31 applications per month) than Santa Clara. In the other county, Orange, with a rigid standard, Intake Workers also perform the Employment Services function

[1] Barry Winograd, Arbitrator and Mediator, Factfinder's File No. 05-186-FF, June 9, 2006; on file in the Office of Labor Relations, Employee Services Agency.

which in Santa Clara County is performed by a separate class of workers. In reviewing the caseloads, standards and ranges for comparison counties, it is critical to consider the ways in which the structures and processes of the counties differ.

Application Completion Rates by County

The California Department of Social Services (CDSS) maintains numerous reports of caseload and case movement data from all counties. Table 3.1 shows information about applications for CalWORKs in Santa Clara County and the 10 other most populous counties. "Applications Disposed Of" includes applications approved, denied and canceled. "Total Applications on Hand" includes applications pending from the previous month as well as new applications. The third column measures applications disposed of as a percent of total applications on hand. By this measure, Santa Clara County is the third least productive, processing 59 percent of applications on hand from January 2007 through May 2008. Nine counties completed processing a higher percentage of its applications on-hand and only two counties processed a lower percentage of its workload. The average of the comparison counties was 65 percent, with a low of 49 percent and a high of 77 percent.

Table 3.1

Applications for CalWORKs
January 2007 - March 2008

County	Total Applications on Hand	Total Applications Disposed of	Percent of Applications Disposed of
Orange	27,302	21,089	77%
Fresno	26,675	19,576	73%
San Francisco	4,851	3,472	72%
Sacramento	41,671	28,847	69%
Riverside	47,236	32,472	69%
Contra Costa	19,759	12,775	65%
Los Angeles	200,034	125,327	63%
Ventura	12,591	7,675	61%
San Bernardino	76,891	46,498	60%
Santa Clara	**21,692**	**12,896**	**59%**
Alameda	44,331	23,365	53%
San Diego	60,124	29,752	49%
Average Excl Santa Clara	**51,042**	**31,895**	**65%**

Source: California Department of Social Services, CA 237CW Monthly Reports

Average Processing Time per Application by County

Table 3.2 below presents a comparison of the average number of hours workers logged for each CalWORKs application processed by the County of Santa Clara and 11 of the most populous counties. Santa Clara County was the third slowest, at 5.6 hours per application, not including overtime. These figures do not include applications for Non-Assistance Food Stamps or Medi-Cal, which the Generic Intake Workers process along with the CalWORKs application when applicable. It was not possible to separate the data in such a way that would enable us to include these other aid programs in the comparison.[2] In addition, the wide range among the counties – from 0.6 hours per application in Contra Costa County to 10.9 hours per application in Ventura County – indicates that the counties may not only be structured somewhat differently, but also that there may be differences in how they complete their time studies. However, we calculated the median processing time, excluding Santa Clara County, which amounted to 3.1 hours per application, while the average processing time amounted to 4.0 hours per application. Therefore, the average application required approximately 40.0 percent longer to process in Santa Clara County than in the average of the 10 surveyed counties.

Table 3.2

Average Hours per CalWORKs Application Processed
January 2007 – March 2008

County	Number of Applications Processed	Estimated Hours Logged on Applications	Average Processing Time
Contra Costa	14,223	8,201	0.6
Fresno	24,049	27,299	1.1
Orange	26,705	36,456	1.4
Sacramento	37,761	73,053	1.9
San Bernardino	59,976	185,196	3.1
Riverside	41,358	131,892	3.2
Alameda	15,487	51,723	3.4
San Diego	39,151	215,012	5.5
Santa Clara	**17,219**	**96,194**	**5.6**
San Francisco	4,485	38,901	8.7
Ventura	10,431	111,935	10.9
Average Excl Santa Clara	**27,363**	**87,967**	**4.0**
Median Excl Santa Clara	**25,377**	**62,388**	**3.1**

Source: CA Department of Social Services CA 237CW and Quarterly Time Studies (Code 6151)

[2] The CA237CW report lists case movement for CalWORKs and does not provide any information about which group of workers processed the applications. The Time Studies Summaries list the number of hours recorded for each type of aid code by workers during the four week Time Study period. A large portion of Medi-Cal applications are processed by a separate group of workers. Therefore, it was not possible to include analysis of Medi-Cal applications because it was not possible to separate the portion of applications that was processed by these workers.

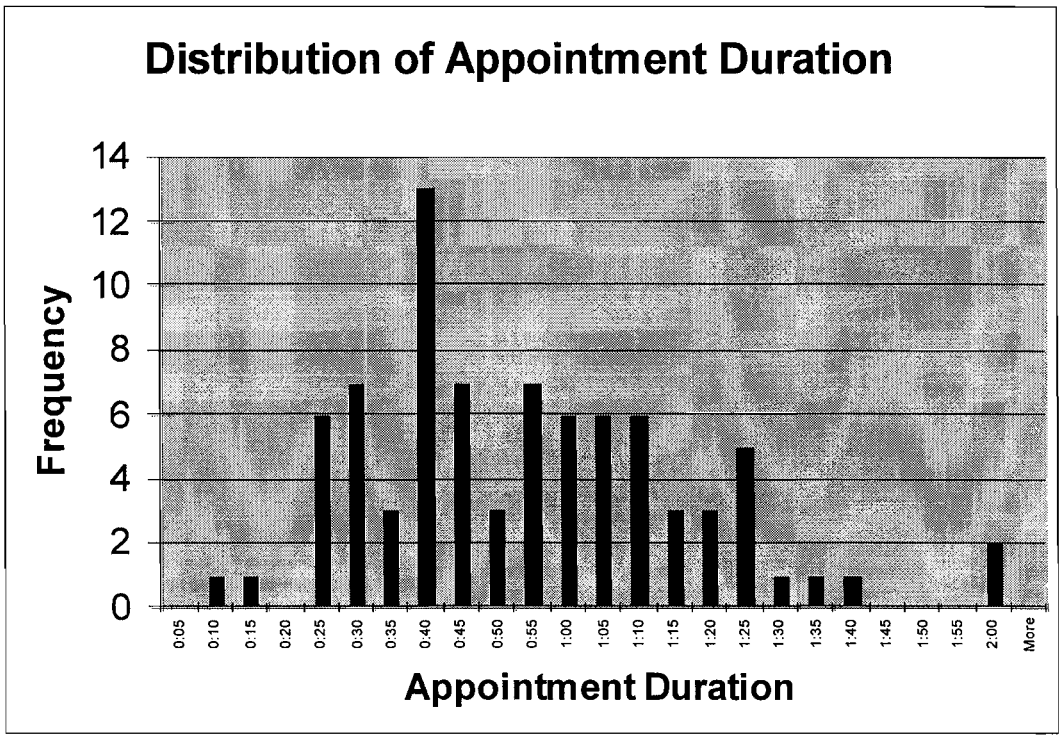
Estimated versus Actual Appointment Time

In order to validate the need for an average of 4.2 hours per application processing time (40 applications per 21-day month) specified in the memorandum of agreement, and the 5.6 hour average processing time reported by the County to the State for the period January 2007 to March 2008, we observed a large number of intake appointments during the course of the audit to test the two-hour standard used for intake application appointments.

The actual length of intake appointments varies by client and by worker. While the current standard calls for two two-hour appointments per day, typically one in the morning and one in the afternoon, some appointments take less time. The Department does not keep any data on the actual length of appointments. Consequently, the Management Audit Division estimated the length of appointments using two methods.

The Management Audit Division observed several units of intake workers in each of the generic intake offices: Assistance Application Center (San Jose), North County (Mountain View), and South County (Gilroy). In the course of these observations, 80 intake interviews took place, lasting 51 minutes on average. The shortest appointment we observed lasted eight minutes and the longest lasted one hour and 59 minutes. Chart 3.1 depicts the range of appointment lengths, not including return visits.

Chart 3.1



Source: Management Audit Division, Intake Observations

Generic Intake Workers report that processing an applicant's case requires substantial work outside the allotted appointment time. It is common that an applicant fails to bring every required supporting document to the appointment, so the worker must do follow-up, answer phone calls, and generally resolve the application in subsequent days. The amount of time required to do this follow-up varies greatly by client and, to some extent, by worker. When an applicant returns to the office to drop off additional documentation or otherwise complete the intake appointment, additional credit is not given to the worker. We also tracked the length of these "returns" and found that of the 27 we observed, the average duration was 21 minutes. Note that we only counted return visits in which the client was brought back to the worker's cubicle. It appeared that there were some instances when a worker would simply go out to the lobby and take the documentation from the applicant, photocopy it, then return it quickly. These exchanges were brief.

The second method of estimating the length of appointments was to use a sample of CalWIN activity log information, which is available for all users of the CalWIN case management system. Based on interviews and observations, we know that a large portion of the work required to complete a case was performed in CalWIN. We reviewed a second-by-second log of a random sample of workers' activity in the CalWIN system. An analysis of a random sample of records from one unit at the AAC for a period of one week (2/11/08 – 2/16/08) showed that the average length of an appointment for the 63 clients seen that week was approximately 41 minutes. An analysis of the total time spent working in CalWIN on a particular case on the day of the appointment resulted in a range of 46 to 54 minutes, including the 41 minutes for the interview. The longest appointment took two hours and 12 minutes and was the only appointment to take longer than two hours.

In addition, of the 63 appointments counted as "completed" in the unit that week, nine showed either no time activity in CalWIN or less than one minute, and another five logged less than 10 minutes, for a total of 22 percent taking either no time or less than 10 minutes. This probably reflects the fact that some applicants arrive for their appointments without the necessary documentation and information to complete the application. Presumably, these applicants would require a "return" visit, as described above.

Based on the combination of our observations and sampling, we estimate that Generic Intake Workers spend an average of two and a half to three hours processing each application compared to the 4.2 hours established by the current caseload standard. Since these workers cannot utilize the remaining 60 to 90 minutes to process additional applications without requiring overtime, due to the work standard and related provisions of the Memorandum of Understanding, the workers end up doing other things with this time, or they may simply perform the work in a slower manner than is necessary. This in turn contributes to the backlog of applicants waiting to be interviewed.

Revision of Generic Intake Caseload Standard Based on Processing Time Requirements

In order to reach and maintain a higher level of productivity consistent with prevailing practices of Intake Eligibility Workers in the most populous California counties, the Department should meet and confer with Social Services Worker Union to develop and adopt a more flexible and efficient workload standard. Based on data from other counties, and our observations and analysis of DEBS operations, a workload range of 44 to 48 applications per worker per month would be reasonable. With a workload range of 44 to 48 applications per month the need for overtime would substantially be eliminated. This range allows for workers to perform at higher levels if they are able and willing, while maintaining an appropriate minimum level for all workers. Due to variations in case complexity, worker proficiency and other factors, there should not be a cap on the amount of work any worker is allowed to perform.

Further, if the Department were to shift to a caseload range, as is used in most of the survey counties, rather than continuing to impose a cap, the work could be accomplished by fewer staff. As shown in Table 3.2 on page 3-5, the effect of the current caseload cap has been to drive the average case processing time for the County to 5.6 hours per application, which is about 40 percent slower than the average of the survey counties. If the County is able to achieve an average productivity increase of one application per worker per week, the Department would save approximately $1.1 million in staffing costs annually.

Use of Overtime

All applications, whether taken during an in-person appointment or via a mail-in application[3], are subject to the caseload standard, including work done on an overtime basis. Consequently, overtime pay is allotted based not on the time required to perform extra work, but rather on the formula 4.2 hours for every application processed. Workers monitor their tally of intakes during the pay period and month, and must match their overtime hours to that figure according to the formula. For example, if a worker is pre-approved for two overtime applications per week for the two week pay period, the worker will fit those four appointments into his or her regular business hour work week however she sees fit, and must log exactly 16.8 hours of overtime during that pay period, regardless of how much extra time is actually necessary to complete the work. Since appointments only take place during regular business hours, staff report that they spend their overtime hours doing preparation, follow up and other application processing work. Overtime may be worked before or after weekday shifts or on Saturdays, in any increment of time.

In FY 2007-08, Generic Intake Workers worked 24,441 hours of overtime at a cost of more than $1.1 million. This overtime work was performed by 101 workers, or 82 percent of all Generic Intake Worker staff. The average amount of overtime worked by these 101 employees was 242 hours. Since all intake appointments handled in overtime

[3] Clients can only mail in Medi-Cal only applications.

are subject to the caseload formula of 4.2 hours per application, we determined that 5,819 applications were processed in overtime in FY 2007-08.

If DEBS is successful in modifying the workload standard from the current fixed level of 40 cases per month to a range of 44 to 48 cases, all of the existing workload could be accomplished without the use of overtime, saving the Department at least $1.1 million annually. This would increase the average caseload to approximately 44 applications per month.

Appointment "No-Show" Rate

In addition to the substandard caseload specified for the DEBS intake eligibility function in the current Memorandum of Agreement, Section 9.8 a) 4. provides for workers to receive full credit (compensation) for "no-shows". Due to the high proportion of "no-shows", this labor provision further exacerbates the administrative processing costs of the eligibility intake function, since a large number of fulltime equivalent eligibility positions are effectively required to provide services to non-existent clients.

The Management Audit Division analyzed a sample of 13 weeks of intake appointments scheduled in the spring and summer of 2008. For all three intake offices (AAC, North County and South County), a total of 10,729 appointments were scheduled during this 13 week period. Of these, 1,588, or 14.8 percent, resulted in a "no-show".

Pursuant to the labor agreement, Generic Intake Workers, unlike all other Intake Workers, receive full credit for appointments in which the applicant does not show up. The departmental rationale for this policy is that the worker must meet with the applicant if s/he shows up within a specified period of time (varies by program), so the credit is given at the time of the originally scheduled appointment. The previous labor agreement in effect from September 1999 through September 2006 granted all types of Intake Workers 0.2 credits for a "no-show".

When we inquired about the percentage of "no-shows" that actually show up subsequently, there was no data available. In our subsequent sampling and analysis, it appeared that some portion of "no-shows" do show up in the days and weeks following the missed appointment. However, it was not immediately clear how case credit was allocated, especially for clients who showed up several weeks subsequent to the original appointment or who were seen by a Worker other than the one originally assigned to the case.

Credit should be given for true "no-shows" based on the actual time required to close a "no-show" application, since canceling the application requires some amount of work. However, based on an approximate loss of worker productive time of four hours per "no-show", up to 25,400 hours or 15 of the 120 fulltime equivalent positions are lost on an annual basis. At a cost of approximately $105,000 per Generic Intake Worker, this amounts to nearly $1.6 million annually, depending on the actual rate at which "no-shows" subsequently show up. If the Department is successful in negotiating the credit for "No Show" appointments back to a fractional amount based on the actual amount of

time required to close out a "No Show" case, a substantial amount of the $1.6 million annual cost could be saved. These savings could be achieved primarily by eliminating vacancies. On an Agency-wide basis, there were 14 vacant Eligibility Worker-III positions as of May 2008. To the extent that further reductions would be necessary or prudent, they could be achieved through attrition.

In order to ensure that workers are not routinely idle due to the overall 14.8 percent "no-show" rate, the Department should require the AAC, North County and South County to "overbook" intake appointments. A system could be developed that routes clients to the next available Generic Intake Worker when a scheduled client does not arrive. With an overbooking system in which "no-shows" are immediately replaced by another client, the worker would receive credit for performing an actual intake appointment. If the original client reschedules, then whichever worker ultimately sees the client would receive credit. The Department should also grant workers a fractional credit for the effort required to cancel an application.

Applicant Backlog

The Generic Intake Units have a backlog of applicants waiting to be interviewed by an Eligibility Worker. The backlog excludes applications with an "Immediate Need", which are handled differently than all other applications. Once an application is flagged as Immediate Need, the applicant must be seen quickly enough, usually the following day, so that cash aid may be authorized and granted within one day and food stamps be may authorized and granted within three days.

The Department's stated goal is that regular (non-immediate need) applicants be interviewed within three to five days of initial application. However, as Table 3.3 on the following page illustrates, the wait times are many times longer than that, with a County-wide average of 23 days for the period July 2007 to November 2008.

The Department is hindered in its ability to address the backlog. As a result of the restrictions built into the caseload standard, a worker may not process additional applications without using overtime. There are, however, various instances that may cause a worker to reach his or her cap of 40 applications before the end of the month. For example, the policies for interviewing "immediate need" clients require workers to be available to see an extra client on certain days, which means that workers may reach their cap before the end of the month. Similarly, a worker may schedule three or more appointments in one day in order to accommodate the scheduling needs of clients, which could leave a day or multiple days at the end of the month in which the worker must not see clients even if the worker has the time. As discussed earlier in this section, staff report that time spent outside of appointments is used to do follow-up and other processing work.

Table 3.3

Wait Time in Days between the Initial Application and Intake Appointment

Month	AAC	North County	South County	County-wide Average
Jul-07	28	27	10	22
Aug-07	35	21	14	23
Sep-07	38	24	15	26
Oct-07	31	31	20	27
Nov-07	25	33	11	23
Dec-07	31	38	19	29
Jan-08	26	35	25	29
Feb-08	31	31	24	29
Mar-08*	27	17	29	24
Apr-08	21	15	25	20
May-08	14	12	31	19
Jun-08	16	7	35	19
Jul-08	17	7	23	16
Aug-08	22	26	27	25
Sep-08	20	13	18	17
Oct-08	21	21	13	18
Nov-08	23	26	10	20
Average	**25**	**23**	**21**	**23**

* Centralized Application Registration began March 2008, whereby clerical staff at the AAC perform the registration of all initial application forms for the entire county, except registration for immediate need clients. Source: Assistance Application Center, Workbooks "SC41 Aid Count 2007 and 2008"

CONCLUSION

The caseload standard for Generic Intake Eligibility Workers in DEBS is too rigid and too low. In addition, the equivalent of 15 Generic Intake Eligibility Workers at a cost of approximately $1.6 million are budgeted for "no-show" cases based on provisions in the current Memorandum of Agreement. As a result, Workers cannot process cases as efficiently as possible, clients wait for an average of 23 days to be interviewed, and the Department spends over $1.1 million annually on overtime to address backlogged applications. Recognizing the fact that the time required to work a case varies by client and, to some extent, by worker, a caseload range consistent with the prevailing caseloads found in the most populous California counties should be implemented instead of a rigid standard. Lastly, service credit for "no-show" cases should be limited to the time required to close a case, rather the average 4.2 hours budgeted to process an application.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

3.1 Meet and confer with the Eligibility Workers' bargaining unit to establish a new caseload range for Generic Intake Workers. A range should be utilized in order to allow for the varying degrees of efficiency, experience, and motivation among workers and to recognize that case difficulty and therefore processing time varies by applicant. Based on reported average workload in the most populous counties, the range should be about 44 to 48 applications per worker per month. (Priority 1)

3.2 Based on implementation of Recommendation 3.1, the practice of habitual overtime for Generic Intake Workers should be eliminated since the need for overtime would be substantially reduced as a result of workers processing an average of 44 or more applications monthly. (Priority 1)

3.3 Eliminate 15 Eligibility Worker-III (Generic Intake) positions by eliminating some or all of the 14 Agency-wide Eligibility Worker-III vacancies. Remaining eliminations may be achieved through attrition. (Priority 1)

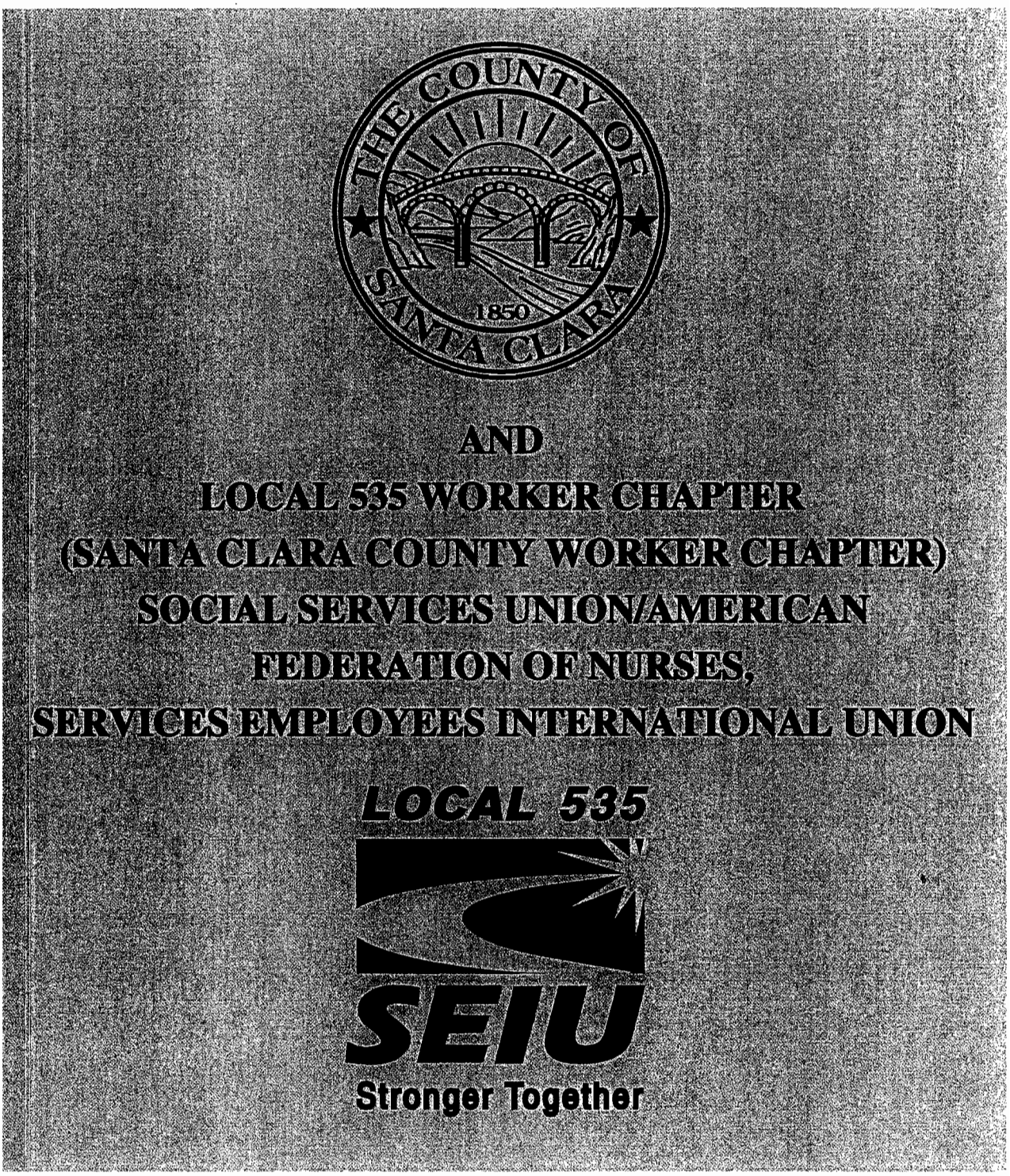
3.4 Cease the practice of giving workers full "case credit" for clients who do not show up for scheduled appointments. While credit should only be given for actual cases worked, the Department should grant a fractional credit for the effort required to cancel an application. (Priority 1)

3.5 Require the AAC, North County and South County to "overbook" intake appointments since there is an overall 14.8 percent "No-show" rate. The Department should develop a system to route clients to the next available Generic Intake Worker when a scheduled client does not arrive. (Priority 2)

SAVINGS, BENEFITS AND COSTS

By adopting a workload standard consistent with other comparable counties and discontinuing the practice of fully compensating 4.2 hours for "no-show" appointments, DEBS could reduce State, federal and County funded administrative processing costs by as much as $2.7 million annually. Additionally, the backlog of applicants waiting to be seen would be significantly reduced and the Department could achieve its goal of interviewing clients within three to five business days of initial application.

MEMORANDUM OF AGREEMENT
BETWEEN
COUNTY OF SANTA CLARA



OCTOBER 18, 2006 - JUNE 14, 2009

ARTICLE 9 - WORKLOAD STANDARDS

Section 9.1 - Standards

The County and the Union agree that workload standards shall be adopted by the Board of Supervisors. Workload standards shall be based, to the extent practicable, on time and quality requirements. Standards shall be considered to include all work and actions assigned and/or required.

Section 9.2 - Standards Changes

1 In the event of major changes in work requirements or funding by Federal or State actions or level of service determinations made by the County, the Union and the County agree to meet and confer on adjustment of workload standards.

2. The County and / or the Union may request a time and motion metrics analysis for the purpose of adjustment of workload standards.

3. The County and the Union shall participate in the selection of a time and motion metrics consultant consistent with County Procurement policies and practices.

4. The results of the analysis shall be presented to the County and the Union within thirty (30) days of the initial request.

5 Upon receiving the metrics analysis either party may within five (5) working days, request to meet and confer on the impact of the study on the working conditions. Negotiations will proceed for a period not to exceed thirty (30) days, after which the Board of Supervisors may enact the revised caseload standards.

6 In the event the parties are unable to reach agreement within the thirty (30) day period, either party may request that the matter be referred to an impartial fact finder. The fact finder shall be jointly selected by the County and the Union from a list provided by the State Mediation and Conciliation Service. The fact finder's compensation and expenses shall borne equally by the Union and the County. The fact finder shall, within thirty (30) days of selection, meet with the parties, receive presentations and afterwards forward a public advisory recommendation to the County and the Union. The Board of Supervisors shall act within thirty (30) days of receipt of the advisory fact finding report, and no later than thirty (30) days of receipt of the fact finding report.

Section 9.3 - Workload Compliance

Grievances alleging non-compliance to workload standards contained herein shall be appealed in writing in accordance with the grievance procedure. Failing resolution at Step l, the grievance shall be moved to Step 2, expedited arbitration, for determination as "in compliance" or "out of compliance." The Union and the County agree to mutually agree upon or jointly select a panel of seven (7) arbitrators to include females and minorities from names provided by the State Conciliation Service. Said panel to be jointly selected and shall be incorporated into the body of this Agreement. During the term of the Agreement, the parties may mutually agree to change the

composition of the panel. The arbitrator's compensation and expenses shall be borne equally by the County and the Union. The parties shall request a hearing within ten (10) days of selection of the arbitrator from the panel. Compliance remedies shall be the determination of the Board of Supervisors. The compliance arbitration process is restricted to questions of exceeding the caseload maximums set by the Board of Supervisors. Caseload maximums, components of the standard definitions, and procedures for counting are not subject to change by workload arbitration.

Section 9.4 - Differential Workloads

The County may establish lower differential workloads based on experience level of personnel, characteristics of cases, and/or special program features.

Section 9.5 - Workload Monitoring

On a monthly basis, Management agrees to provide the Union with statistical information developed by the County for monitoring workload distribution. The County agrees to meet upon request by the Union to resolve questions of interpretation, classification, or implementation.

Section 9.6 – Bilingual, Trilingual, Quadrilingual Caseloads

a) Bilingual, Trilingual, Quadrilingual language caseloads will consist of a minimum of fifteen percent (15%) second language cases and a maximum of eighty percent (80%) second language cases. Only caseloads meeting the above criteria (or excepted below) shall qualify the multi-lingual worker for the monetary differential. When the second language cases in a caseload fall below fifteen percent (15%), the differential will be continued for two (2) pay periods.

   If the minimum requirement of fifteen percent (15%) is not met within the two (2) pay periods, the differential may be discontinued beginning with the next pay period. When the multi-language caseload reaches eighty percent (80%), the worker shall be at one hundred percent (100%) of standard overall. Effective May 1, 1986, no more than five percent (5%) additional cases can be assigned to a worker when his/her second language caseload reaches 75%.

b) The Department may designate a position or person for the multi-language differential when a second language skill is needed for:

   1. One-of-a-kind language skill for caseloads.

   2. Unique need of a geographical location or service when the total number of cases do not make up fifteen percent (15%) of a caseload for a worker in that location.

   3. Intake position requirements.

c) Non-English language cases are to be assigned to certified workers. Language certification is required prior to assignment of second language cases to Bilingual, Trilingual, Quadrilingual workers.

d) Cases requiring special language skills in languages that have not been designated by the Department for worker certification shall have a weight of 1.1. Where there are not certified multi-language workers available in an office to provide services in that language, the second language cases will have a weight of 1.1.

e) At the request of one of the parties the County and the Union shall meet to review the number and location of multilingual positions designated.

f) Bilingual, Trilingual, Quadrilingual certification will be done in accordance with procedures approved by the Director of Personnel.

g) Certified Bilingual, Trilingual, Quadrilingual workers will be allowed five (5) hours protected time per week.

h) Bilingual, Trilingual, Quadrilingual workers with multiple language certifications shall be assigned cases in their designated languages and shall be paid the Bilingual, Trilingual, Quadrilingual differential in accordance with Section 7.1f).

Section 9.7 - Workload Standards - Social Services

The Board of Supervisors of Santa Clara County hereby enact the following workload standards for those classifications in the Social Services representation unit. These standards shall be published for informational purposes to assure that the Social Services Agency and affected staff are aware of the established procedures.

Section 9.8 - Department of Employment and Benefits

a) Intake

An Eligibility Worker will normally be assigned forty (40) generic Intake applications, one (1) credit per case, no matter how many programs are added or associated with the case, in a twenty-one (21) day month. Counting will continue current practice except as required to implement Intake standard changes.

1. Except for peak work periods, Intake work shall be performed by workers in the classification of Eligibility Worker III. During periods of projected peak work load, workers in an office in the classification of Eligibility Worker II who meet the minimum qualifications for the classification of Eligibility Worker III may volunteer to be assigned to do intake work.

   Such workers assigned to perform intake function shall be paid a two dollars and forty cents ($2.40) per hour differential.

2. The monthly standard will be proportionately reduced for all authorized technical training, and for absences of one-half (1/2) working day or more.

3. An overpayment calculation on a previously closed case will be assigned to an overpayment worker if the O/P can't be calculated by CalWIN.

4. Generic Intake No Shows shall receive full credit.

5. At General Assistance/CAPI/NAFS forty-eight (48) net Intake applications, one (1) credit per case, no matter how many programs are added or associated with the case, will be processed in a twenty-one (21) day month

6. At Valley Medical Center, Intake workers will be assigned forty-eight (48) Intake applications in a twenty-one (21) day month. Diligent search will receive one-half (.5) credit. No standard will be applied to the screener.

7. Foster Care Intake/Adoption – Fifty (50) applications in a twenty-one (21) day month.

8. Craig versus Bonta – Flow basis, no standard.

b) Continuing

1. One (1) Eligibility Worker III shall be budgeted for each Continuing Unit.

2. Workloads will be distributed equitably to the extent practicable among Eligibility Units, Workers and Programs.

3. On the last working day of each month, all cases in a discontinued status shall be closed. After the next calendar month following discontinuance, clients must reapply for benefits through Intake with the exception of the following to be processed by Continuing workers:

   - Adding Medi-Cal to existing Food Stamps cases
   - Adding Medi-Cal to existing Medi-Cal cases (except when adding regular Medi-Cal to a QMB case)
   - Adding Medi-Cal to existing cash aid cases
   - Adding Food Stamps to cash aid cases

4. Medi-Cal Service Center (MCSC) Standard

   Medi-Cal Continuing cases shall have a group standard such that the total staff assigned to the Medi-Cal Customer Service Center (MCSC) is consistent with State funding allocation for one hundred percent (100%) of the Medi-Cal casework.

5. Individual caseload maximums are listed below.

158	CalWORKs (and/or Food Stamps)
172	GA and CAPI (and/or Food Stamps)
147	Foster Care
158	Refugee Cash Assistance (RCA)

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Section 4. Telephone-Based Food Stamp Assistance

- **The Food Stamp Program continues to be underutilized, particularly in California. According to the United States Department of Agriculture, only about 50 percent of eligible people in California received Food Stamp benefits in 2006. While California's participation rate for all eligible people increased by 2 percent between 2004 and 2006, it continues to rank at the bottom of all 50 states and the District of Columbia. In order to improve Food Stamp participation, some jurisdictions have established telephone-based assistance services for ongoing Food Stamp clients. These services reduce barriers for clients, such as lack of transportation or child-care, and conflicts between Food Stamp office hours and client work hours. A 2007 study of Food Stamp clients in New York City found that 80 percent of those who lost benefits at recertification did so due to procedural issues, rather than failing to meet income standards. This included 53 percent of clients whose cases were closed due to missed interviews.**

- **The Department of Employment and Benefit Services operates a call center to serve continuing Medi-Cal cases, but has not yet expanded it to ongoing Non-Assistance Food Stamp clients. Although the federal government has waived the face-to-face interview requirement for the majority of Food Stamp clients at recertification, DEBS continues to conduct these interviews in-person, which requires approximately 58 more eligibility staff than a telephone-based system. Furthermore, by continuing with face-to-face interviews in most cases, the Department potentially creates barriers that prevent Food Stamp clients from remaining in the program.**

- **The Department should establish a steering committee to develop a plan to shift to telephone-based assistance of ongoing Non-Assistance Food Stamp clients. The Department should also analyze caseload standards for continuing Eligibility Workers who remain at district and other offices and no longer serve these clients, and adjust the standards through labor negotiations to reflect the change in workload. A telephone-based system could permit eliminating an estimated 58 full-time eligibility positions, saving approximately $4.8 million on an ongoing basis. The General Fund portion of this savings would amount to about $334,000 annually. Furthermore, if this system boosted Food Stamp participation in the County, significant additional ongoing revenue could be generated.**

Food Stamp Program

Within the Department of Employment and Benefit Services (DEBS), the Food Stamp Program is designed to provide food support to low-income households to defend against hunger and malnutrition. In Santa Clara County, people authorized to receive Food Stamp benefits can buy food by using a government-issued plastic card at a grocery store or other authorized location. Most food stores accept the Food Stamp benefit card, which is used similar to a debit card.

Applying for Food Stamps

Eligibility for the Food Stamp Program is determined by Eligibility Workers at one of the County's three intake offices, consisting of the Assistance Application Center in San Jose, the North County District Office in Mountain View, and South County District Office in Gilroy, as well as with the General Assistance Program (refer to Section 5 for more information on General Assistance applications). Before receiving benefits, applicants must meet with an Eligibility Worker, who determines whether the applicant is eligible, receives income and asset documentation, and explains program requirements. Because of the current volume of applicants and the level of intake staffing and caseload standard for intake workers, the booking date for intake appointments ranges from two weeks to more than a month, depending on the office.

However, individuals who have an immediate need for food may apply for the expedited service through which they receive Food Stamps within three calendar days of application. By federal regulations, Food Stamp applicants are eligible for this service if they meet one of the following criteria:

- The household has less than $150 in monthly gross income and fewer than $100 in liquid assets;
- The household's monthly gross income and liquid resources are less than the household's monthly rent or mortgage and utilities; or,
- The household is comprised of "destitute" migrant or seasonal farm workers with liquid resources of $100 or less.[1]

When applying for Food Stamps, people may also apply for CalWORKs and/or Medi-Cal benefits. For reporting purposes, recipients of both CalWORKs and Food Stamp benefits are known as Public Assistance Food Stamp (PAFS) cases, and recipients of only Food Stamps are known as Non-Assistance Food Stamp (NAFS) cases. Food Stamp recipients that receive benefits from the General Assistance (GA) Program, Refugee Cash Assistance (RCA) Program, Cash Assistance for Immigrants Program (CAPI), Adoptions Assistance Program and Medi-Cal are also categorized as NAFS cases.

Continuing Eligibility

For all Food Stamp recipients, once initial eligibility is authorized, cases are transferred to Eligibility Workers who handle continuing case management. In San Jose, there are two continuing offices: the East Valley District Office and the Senter Road District Office, each of which has nine continuing units.[2] The North County and South County District Offices also handle continuing case management in their respective regions, as does the office for the General Assistance Program for its clients, who are generally

[1] California Department of Social Services, Food Stamp Regulations Manual, Section 63-301.51, and Social Services Agency, *Food Stamp Handbook*, Section 7. Expedited Service.

[2] At the time field work was performed and data was analyzed, continuing workers were assigned to two offices in San Jose. The Department has subsequently combined these workers into one location on Senter Road.

single adults. There are three continuing units in North County, two continuing units in South County, and four continuing units at the General Assistance office.

One of the primary activities of Eligibility Workers assigned to continuing units is to recertify Food Stamp recipients when their benefits are about to expire. Whether a household is considered "quarterly reporting" or "change reporting" determines its recertification period, which can be as short as one month and as long as 24 months, though many clients are approved for 12 months.[3] To be recertified, clients are responsible for completing the necessary reports and forms for recertification and participating in a recertification interview. A household that files a timely application for recertification is entitled to uninterrupted benefits.

Caseload Movement

Data from the California Department of Social Services (CDSS) shows that a total of 19,193 NAFS cases were open in Santa Clara County in June 2008.[4] This includes 16,886 cases forwarded from the previous month and 2,307 cases added during the month. Of the 19,193 cases that were open during the month, 2,085 cases were terminated, leaving 17,108 cases that were forwarded to the following month. The number of cases open in June 2008 is approximately 5 percent higher than the monthly average of 18,264 cases that were open during a 12-month period, from July 2007 to June 2008. The Department anticipates that the caseload will continue to increase due to new outreach efforts, including the implementation of a Food Stamp Restaurant Meals Program to make hot meals available to people who are elderly, homeless or disabled.

Underutilization of Food Stamps

Despite the growing number of households that apply for Food Stamps, the program continues to be underutilized, particularly in California. The United States Department of Agriculture (USDA) recently reported that only about 67 percent of eligible people nationwide, and 50 percent of eligible people in California, received benefits in 2006.[5] While California's participation rate for all eligible people increased by 2 percent between 2004 and 2006, it continues to rank at the bottom of all 50 states and the District of Columbia. Additionally, only 36 percent of eligible working poor participated in the Food Stamp Program – a significant difference from all those eligible. Research shows that the lengthy application process and a conflict between the traditional office hours of Food Stamp offices and client work hours deter many people from applying for Food Stamps.[6]

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[3] Change reporting households includes those in which all members are homeless, there is no earned income and all adult members are elderly or disabled, the household lives on an Indian reservation, or the household consists of migrant or seasonal farm workers.

[4] California Department of Social Services, Food Stamp Program, "Monthly Caseload Movement Statistical Report" (DFA 296).

[5] Cunnyngham, Karen et al., United States Department of Agriculture, "Reaching Those in Need: State Food Stamp Participation Rates in 2006", November 2008.

[6] United States Department of Agriculture, Food and Nutrition Service, "Customer Service in the Food Stamp Program," July 1999.

Changes in the Food Stamp Program

The State and federal government have made changes in recent years aimed at making Food Stamps available to more Californians, increasing participation among those eligible, and improving retention among current Food Stamp recipients. For example, in 1999, the California Legislature passed Senate Bill 2013, which required the State to develop a simpler and shorter Food Stamp application form. This form was available to counties beginning on April 1, 2002.

The USDA has also given nine states, including California, a waiver of the required face-to-face interview at both initial application and recertification for at least a portion of the client population. From July 1, 2007 to June 30, 2009, California's waiver of the face-to-face interview requirement at recertification extends to all quarterly reporting/prospective budgeting households without documenting hardship. The waiver also allows households where all members are elderly or disabled to conduct a telephone interview at both initial application and recertification without documenting hardship, regardless of their source of income. CDSS combined this waiver with a simplified documentation process at recertification in order to make it easier for eligible Food Stamp households to continue receiving benefits.[7]

The need for alternatives to standard Food Stamp approaches is shown by a 2007 Urban Justice Center study conducted in New York City, which found a high percentage of people falling off at recertification due to procedural issues.[8] This was the case for 80 percent of cases in the study. Further, of those closing for procedure reasons, 53 percent closed because of missed interviews.

Telephone-Based Assistance

Some California counties have used the federal waiver to streamline Food Stamp processes by establishing telephone-based services. As noted in the report "Untangling the Lines: Using Phone-Based Assistance to Increase Access to Food Stamps" by the Bill Emerson National Hunger Fellows Program, these services have the potential to:

- Reduce potential barriers experienced by those who work during Food Stamp office hours, lack transportation, or lack child care services; and,
- Prevent clients from "falling off" or losing benefits at recertification.[9]

Guarding against these problems, call centers can be used to process reported changes, handle participant phone calls, process alerts, conduct callbacks, and perform

[7] Households granted a hardship at initial application may not be relieved of the obligation to visit a Food Stamp office because of California's Statewide Fingerprint Imaging System requirements.

[8] Widom, Rebecca, Director of Research at the Urban Justice Center, "Public Hearing on Food Stamps Recertification and Hunger in New York City: New York City Council Committee on General Welfare," November 20, 2007.

[9] Winch, Rachel, Bill Emerson National Hunger Fellow, "Untangling the Lines: Using Phone-Based Assistance to Increase Access to Food Stamps", 2008.

certification/recertification interviews.[10] As a result, they help reduce errors caused by unreported changes, high workloads, and unanswered phone/voice mail messages. They are also beneficial in that they provide task specialization, prompt customer service, measurable work performance, and dedicated phone lines. With call centers, clients need only remember one phone number to report changes in their status.

With this in mind, more and more counties in California are establishing call centers operated by eligibility staff to assist Food Stamp applicants and/or recipients. For example, the City and County of San Francisco launched a call center to handle intake and continuing case management of NAFS cases in October 2007.[11] Eligibility Workers, who assist clients in at least five different languages, work as call center operators for half a day and complete tasks in other areas of the office for the other half. Callers are initially directed to an automated system through which they are asked whether they currently receive Food Stamps and then assisted accordingly, as follows:

- Callers who indicate they are not receiving Food Stamps can receive information regarding eligibility requirements, make an initial appointment to meet with an eligibility worker, or request an application.

- Callers who are already Food Stamp clients can check on the status of their documents, report changes and schedule appointments.

Furthermore, at recertification, clients are mailed a letter instructing them to call the call center to schedule their recertification interview. When they call to schedule this interview, clients may elect to have a telephone or in-person interview. Finally, because the State requires that a signed Statement of Facts be submitted at recertification, clients who elect to conduct their recertification interview by phone receive this documentation in the mail upon completion of the telephone interview. They must then mail the signed Statement of Facts back with the rest of the documentation.

Contra Costa County also operates a call center, but only for continuing NAFS cases. Intake workers continue to handle the processing of Food Stamp applications. Contra Costa's service center also handles continuing Medi-Cal cases. Similarly, Orange County began planning for a joint Medi-Cal/NAFS service center in July 2008, and anticipates implementing the call center in January 2010. Sacramento, San Bernardino and Ventura Counties are also seriously considering a service center approach for the future.

[10] United States Department of Agriculture, Food and Nutrition Service, Program Development Division, "Food Stamp Program: State Options Report," November 2007.
[11] Winch, Rachel, Bill Emerson National Hunger Fellow, "Untangling the Lines: Using Phone-Based Assistance to Increase Access to Food Stamps", 2008.

Santa Clara County's Call Center

Advantages and Efficiencies

Santa Clara County currently operates a call center that handles continuing Medi-Cal cases only. Implementation of the Medi-Cal Service Center (MCSC) in DEBS has had several advantages, including the following:

- Eligibility Workers perform an outreach function, comprised of answering calls for four hours each day and handling paperwork or other assignments for the rest of the day, or a processing function, comprised of handling particular tasks. Staff can apply to switch functions every six months.

- Separating Eligibility Workers into outreach and processing functions works well, since some staff are more people oriented and others prefer processing paperwork.

- At the MCSC, the call center is open from 8 a.m. to 5 p.m., Monday through Friday. When clients call to report changes, ask questions about their benefits or receive assistance completing forms, they speak to any one of the Eligibility Workers assigned to outreach, rather than an assigned Eligibility Worker. This facilitates clients' ability to reach a worker anytime without a wait and without an appointment.

- Work is assigned to staff based on a task assignment model, rather than a case assignment model. Cases are held collectively and then individual tasks are assigned. This includes processing status reports and annual review packets (known as RRRs).

- Depending on the number of status reports, annual review packets or other items received in the mail, managers can decide what to prioritize each day and assign tasks accordingly.

- The MCSC remains a flexible environment. Managers lead two committees, a Workflow Committee and Corrective Action Committee, to adjust and refine their processes on an ongoing basis. Changes can be made almost immediately, since the center is generally independent from other offices.

Since MCSC staff are assigned tasks rather than cases, another major advantage of this approach is that it requires fewer eligibility staff. The Department reports that the MCSC is staffed with an Eligibility Worker for every 251 cases even though the work is not organized around cases. In comparison, the caseload standard for continuing workers who handle CalWORKs and/or Food Stamp cases is currently 158 cases per Eligibility Worker.[12] The standard is slightly higher for those who handle GA, CAPI and/or Food Stamps cases, at 172 cases per Eligibility Worker.

[12] County of Santa Clara, "Memorandum of Agreement Between the County of Santa Clara and Local 535 Worker Chapter," October 18, 2006 to June 14, 2009.

Morale Among Staff

Finally, staff assigned to the MCSC are also some of the happiest within the Department. During both interviews and a survey of staff, MCSC employees expressed that morale within their office is particularly high, which differs from other offices (refer to Section 8 for more information on morale).[13] This is due in large part to the fact that staff are assigned particular tasks, rather than caseloads, which they complete and go home. While the work is well defined and can be repetitive, it is considered much less stressful.

Face-to-Face Interview

As noted previously, the USDA requires a face-to-face interview for Food Stamp applications and recertifications, unless it has provided a waiver, as is the case in California. However, since Food Stamps are administered at the county level in California, counties can decide for themselves whether to implement the waiver. A major reason that Santa Clara County does not use telephone-based assistance for continuing NAFS cases is that the Social Services Agency (SSA) only waives the face-to-face interview at recertification in certain circumstances. To have the face-to-face interview waived, a Food Stamp recipient must be unable to appoint an authorized representative for the interview and have one of the following hardships:

- Transportation problems
- Illness
- Care of an ill household member
- Prolonged severe weather
- Work hours that preclude an in-office interview
- Living in a rural or remote area
- Chronically homeless

When the face-to-face interview is waived under these circumstances, Eligibility Workers conduct a telephone interview.

SSA decided against waiving the face-to-face interview at recertification for all quarterly reporting/prospective budgeting households because it believes requiring the face-to-face interview maximizes Food Stamp retention. Staff with SSA stated, "Clients often do not have telephones, need an interpreter, have other questions better asked and answered in person, and other situations which may cause the Food Stamps to discontinue, if not addressed in person. Santa Clara County feels replacing the face-to-

[13] Approximately 83 percent of those who responded from the MCSC agreed with the statement "morale is my office or bureau is generally high", while only about 63 percent of staff Department-wide agreed with this statement.

face interview with a telephone interview will contribute to Food Stamps discontinuing more often, rather than Food Stamp retention."

While the results of phone processing in California are not yet fully known because it is a relatively new approach, the Agency's reasons for not utilizing it contradict various studies and literature on the subject. As pointed out earlier in this section, research indicates that requiring the face-to-face interview is actually one of the major reasons that people fall off at recertification. Furthermore, staff assigned to call centers can assist clients in multiple languages. The MCSC, for instance, currently handles calls in English, Spanish and Vietnamese and utilizes a telephone-based interpreter service to translate other languages while a client is speaking with an Eligibility Worker.

Traditional Approach vs. Call Center Approach

Since San Francisco's Call Center handles continuing NAFS cases, we decided to compare its level of staffing and caseload to those of DEBS in Santa Clara County.

Level of Staffing

In FY 2007-08, the NAFS Call Center in San Francisco was comprised of seven continuing units, each of which was staffed with an Eligibility Work Supervisor and seven or eight Eligibility Workers. As a result, seven Eligibility Work Supervisors and 55 Eligibility Workers, for a total of 62 positions, were assigned to continuing case management of NAFS cases last year in San Francisco.

In comparison, as mentioned previously, Santa Clara County has five offices (i.e., East Valley, Senter Road, North County, South County and General Assistance) that handle continuing case management of NAFS cases. Because workers in these offices are responsible for multiple benefit programs, such as CalWORKs and Food Stamps, we utilized quarterly time studies to estimate the average number of full-time equivalent (FTE) positions in these offices, including supervisors, handling NAFS eligibility. During a 12-month period, from July 2007 to June 2008, an average of 139.1 FTE positions performed continuing NAFS eligibility activities.[14]

Caseload

To analyze each jurisdiction's NAFS caseload, we downloaded 12 months of the Food Stamp Program Monthly Caseload Movement Statistical Report, which is issued by CDSS, and calculated the average number of cases processed per FTE position. As shown in Table 4.1 on the next page, approximately 137 more NAFS cases are managed per FTE position in San Francisco, using the call center approach, than in Santa Clara, using the traditional approach.

[14] Based on the Social Service Agency's Time Study Handbook, these activities include budget recomputations, program eligibility termination, Employment Development Department referrals, authorizing actions, inter-county transfers, program loss computations and adjustments, fraud or collection referrals, home visits, expedited service, recertification with no break in benefits, authorization for benefit issuance, budget computations for recertifications, quality assurance or supervisory review activities, and Welfare Opportunity Tax Credit Program activities.

Table 4.1

Comparison of the Average Food Stamp Caseload in San Francisco and Santa Clara County

	San Francisco	Santa Clara		
	Call Center Approach	*Traditional Approach*	*Call Center Approach*	*Difference*
Total cases open*	16,587	18,264	18,264	
Eligibility FTE positions**	62.0	139.1	68.3	-70.8
Cases per position	268	131	268	137

* Represents a 12-month average from July 2007 to June 2008.
** Includes first-line supervisors since they fill out eligibility time studies.

Source: California Department of Social Services, Food Stamp Program Monthly Caseload Movement Statistical Reports (DFA 296); San Francisco Department of Human Services, Non-Assistance Food Stamp Program Organizational Chart; and Santa Clara County Social Service Agency, Quarterly Time Studies (Code 3431)

Potential Savings

Based on the level of staffing and caseload in San Francisco, if Santa Clara County were to provide telephone-based assistance for continuing NAFS cases, up to 71 full-time eligibility positions could potentially be eliminated from DEBS. However, since there may be differences between the two jurisdictions that staffing and caseload figures alone do not capture, we also calculated the number of positions that could be cut based on the staffing methodology at the MCSC in Santa Clara County. Using this methodology, DEBS could eliminate a minimum of 58 full-time positions, including a mixture of Eligibility Work Supervisors and Eligibility Worker IIs, for a total ongoing savings of approximately $4.8 million, including salary and benefits.[15] However, because these positions are largely reimbursed from federal and state sources, the General Fund savings is estimated at about $334,000 annually.[16]

Instituting a call center, with the estimated staffing reductions, would also permit addressing potential reductions in State funding while limiting the impact on services. A September 2008 review of the approved State budget by the California State Association of Counties identified a cut of $34.9 million to county Food Stamp administration, plus an existing funding deficit of $83.9 million in State Food Stamp funding, and recent State budget proposals all include reductions in social services

[15] This estimate is based on the total cost of six Eligibility Work Supervisors and 52 Eligibility Worker IIs.
[16] Information regarding the amount of General Fund subsidy to various Social Services functions, including NAFS Eligibility, has fluctuated in various documents in recent years. In the FY 2007-08 Mandate Study, the Department reported a General Fund subsidy for the NAFS Eligibility function of approximately 24 percent, while the FY 2008-09 Mandate Study resulted in a subsidy of about 6.9 percent. For the purposes of this study, the Management Audit Division used the most recent estimate of 6.9 percent but believes the savings could be greater.

funding.[17] Further, in December 2008, Orange County eliminated 210 social services worker positions. According to an account of the layoffs in the *Los Angeles Times*, "Many of the targeted employees are social workers and welfare eligibility technicians, who help determine whether applicants are eligible for public assistance, officials said. The cutbacks will probably mean it will take longer to process applications for public assistance, officials said."[18]

Call Center Expansion

Because of the potential savings and numerous benefits of assisting clients via telephone, the Department should establish a steering committee to develop a plan, with a timeline in addition to staffing and facility requirements, to transition from the traditional approach of handling continuing NAFS cases at district and other offices to the call center approach. Expanding the existing call center to accommodate Food Stamp only cases could require some one-time costs for retrofitting facilities or purchasing equipment to accommodate staff who transfer from district or other offices. Staff would also need to be trained on the call center approach. However, any one-time costs associated with expanding the call center would be more than offset by ongoing savings. The expansion might also assist with improving morale in the Department, as more employees would be assigned to this area.

In making this transition, the Department should also analyze the caseload standards of continuing Eligibility Workers who remain at district and other offices and no longer handle NAFS cases, and adjust the standards through labor negotiations to reflect the change in workload. This would include Eligibility Workers assigned to continuing units at the district offices in San Jose, North County and South County, as well as the office for the General Assistance Program. A similar analysis was performed when the Department implemented the MCSC and continuing Eligibility Workers assigned to district offices were no longer responsible for Medi-Cal cases. Additionally, similar to the MCSC, Eligibility Workers who handle NAFS cases at the call center would not be subject to a caseload standard, since work would be assigned to staff based on a task assignment model, rather than a case assignment model.

Lastly, increasing Food Stamp participation and retention would have a direct impact on local revenues. In 2006, the California Food Policy Advocates reported, "Food Stamps have a "multiplier effect": USDA has shown that every Food Stamp dollar spent creates $1.84 in local economic activity, since local retailers tend to re-spend their income in their community."[19] California Food Policy Advocates estimates that if 100 percent of people eligible for Food Stamps participated in the Program, Santa Clara County could bring in as much as $80.9 million in additional federal funding each year[20], which would generate an additional $148.9 million in economic activity locally.[21]

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[17] California State Association of Counties, "2008-09 State Budget Health and Human Services Proposals: County Impacts," September 2, 2008.

[18] Pfeifer, Stuart, *Los Angeles Times*, "Orange County Cuts 210 Workers," December 11, 2008.

[19] Choe, Danika et al., California Food Policy Advocates, "Lost Dollars, Empty Plates: The Impact of Food Stamps on State and Local Budgets," Spring 2006.

[20] This estimate is based on the average benefits received by current Food Stamp participants. Since non-participants may have lower average benefits than current participants, it may be considered a high-end estimate of lost dollars.

The new Food Stamp recipients would then have more money to spend on non-food, taxable goods. As a result, California Food Policy Advocates estimates that these purchases could generate an additional $728,375 in revenue for the County based on full participation. While achieving full participation in the Food Stamp Program would take more than providing telephone-based assistance, since eligible people fail to apply or fall off at recertification due to more than just procedural issues, such a system could boost participation enough to generate significant additional ongoing revenue.

CONCLUSION

In Santa Clara County, a total of 19,193 Non-Assistance Food Stamp (NAFS) cases were open as of June 2008. The number of cases open that month was about 5 percent higher than the monthly average of 18,264 cases that were open from July 2007 to June 2008. While more households are applying for Food Stamps, due in part to improved outreach, the program continues to be underutilized, particularly in California. A recent development among counties to improve Food Stamp Program participation has been the establishment of telephone-based services for Food Stamps. These services have the potential to reduce potential barriers experienced by those who work during Food Stamp office hours, lack transportation, or lack child care services, and prevent clients from "falling off" or losing benefits at recertification.

While Santa Clara County's Department of Employment and Benefit Services (DEBS) currently operates a call center that handles continuing Medi-Cal cases, it has not yet expanded the center to handle continuing NAFS cases. However, by continuing with the traditional approach of managing current NAFS cases at district offices, the Department employs more full-time equivalent positions than similar departments that have implemented a call center and risks creating barriers that limit retention of clients in the Food Stamp Program.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

4.1 Establish a steering committee to develop a plan, with a timeline in addition to staffing and facility requirements, to transition from the traditional approach of handling continuing Non-Assistance Food Stamp cases at district and other offices to the call center approach. (Priority 1)

The Department has already implemented this recommendation.

[21] Based on the average number of people who participated in 2005 and an estimated number of people eligible for Food Stamps, the estimated number of non-participants in Santa Clara County is 69,528. Multiplying this figure by the average benefit of $97 per person per month results in the additional Food Stamp funding if full participation were reached. Further, multiplying the additional Food Stamp funding by the economic multiplier of $1.84 results in the additional economic impact of reaching full participation.

4.2 Analyze the caseload standards of continuing Eligibility Workers who remain at district and other offices and no longer handle Non-Assistance Food Stamp cases, and adjust the standards through labor negotiations to reflect the change in workload. (Priority 2)

SAVINGS, BENEFITS AND COSTS

By implementing the recommendations above, the Department could potentially eliminate at least 58 full-time eligibility positions. Since this would include a mixture of Eligibility Work Supervisor and Eligibility Worker II positions, the total ongoing savings from the reduction is estimated at approximately $4.8 million. However, because these positions generate revenue from federal and state sources, the General Fund savings is estimated at about $334,000 annually. At the same time, expanding the existing call center to accommodate Food Stamp only cases could require some one-time costs for retro-fitting facilities or purchasing equipment to accommodate staff who transfer from district offices.

A major benefit of implementing the recommendations would be to reduce potential barriers experienced by those who work during Food Stamp office hours, lack transportation, or lack child care services. They would also help to prevent clients from "falling off" or losing benefits at recertification. Furthermore, if providing telephone-based assistance boosted Food Stamp participation in the County, significant additional ongoing revenue could be generated. Expansion of the existing call center to handle both Medi-Cal and Food Stamp only cases might also assist with improving morale in the Department, as more employees would be assigned to this area.

Section 5. Triage of General Assistance Applications

- **Federal regulations require Food Stamp applicants in certain circumstances to receive eligibility determination and benefits within three days after applying. Because the normal wait for General Assistance (GA) eligibility interviews is several weeks, the Department of Employment and Benefit Services employs a triage process to review (GA) applications to receive these expedited services.**
- **However, procedures for this review process are insufficient, in terms of providing guidance for determining which applicants should receive expedited services. As a result, these decisions may not be consistent, and the Department risks being unable to defend these decisions if they are reviewed by State or federal officials.**
- **By developing more detailed procedures for the triage process, including providing a more detailed written basis for its decisions, the Department would be able to defend its triage process, and ensure that applicants appropriately receive expedited services on food stamp and General Assistance applications when justified.**

General Assistance (GA) is Santa Clara County's program to provide public assistance benefits to residents who are not eligible for other aid, typically adults who do not have children, do not receive state or federal disability benefits, and are not eligible for other aid programs.

Residents apply for GA by filling out an application and submitting at the program office, 1670 Las Plumas Ave., Suite A in San Jose. Before receiving benefits, applicants are interviewed by a GA Intake Eligibility Worker, who determines whether the applicant is eligible, receives income and asset documentation and explains the program requirements. A GA applicant would usually apply for both cash aid, typically $147 per month, which is a loan that can be used to defray housing costs and costs of personal items, and Food Stamps, which pay for groceries.

Because of the current volume of applicants and the level of intake staffing, General Assistance applicants who submitted applications on November 26, 2008, were receiving appointments no sooner than January 6, 2009, a delay of 41 days. In a survey of eight other California counties, seven reported providing clients with intake interviews more quickly than does Santa Clara County. Under current labor agreements, caseloads for GA Intake Eligibility Workers are limited to conducting 48 intake interviews per month, or slightly more than two intake interviews per work day. GA Intake workers spend non-interview time obtaining additional information on intake cases and processing them in the CalWIN computer system. Unlike the intake staff discussed in Section 3, GA Intake Workers receive no caseload credit unless they actually conduct an interview. Observations of staff during all periods indicated that the caseload standard provides sufficient workload to occupy existing staff. Surveys of other counties noted that the current standard is higher than in two of eight counties surveyed, and lower than in three others. Three counties surveyed have no caseload

standard for intake workers.

An exception to the current lengthy delay for intake interviews is that Food Stamp regulations require Food Stamp applicants in certain circumstances to be reviewed for eligibility and receive Food Stamps within three calendar days of application. Specifically, Section 63-301.51 of the California Department of Social Services Food Stamp Regulations Manual states that "expedited service" is available to:

- Households with less than $150 in monthly gross income and fewer than $100 in liquid assets;
- Households whose combined monthly gross income and liquid resources are less than the household's month rent or mortgage, and utilities; or,
- Households comprised of "destitute" migrant or seasonal farm workers with liquid resources of $100 or less.

To determine which GA applicants are eligible for expedited services, an Eligibility Worker known as a Triage Worker reviews the state-required initial application for aid, called a SAWS 1 form, as well as a separate Triage Screening Sheet, a DEBS-developed form. Both forms are filled out by the GA applicant. The SAWS 1 form includes a place for the applicant to report the amount of their current income and liquid resources (cash, checks, bank accounts, etc.) and the amount of rent and utilities. The form also asks the applicant several questions about imminent evictions, utility shutoffs, availability of food and basic clothing that can be used to determine eligibility for expedited services. The Triage Screening Sheet provides questions about whether the applicant is disabled, has applied for other types of benefit programs, or has engaged in behavior, such as conviction for a drug-related felony, that creates ineligibility for Food Stamps.

In addition to reviewing the forms, the Triage Worker briefly interviews the applicant. In observations of these interviews by Management Audit staff, questions typically involve the type of aid the applicant is seeking, when they last worked, their current living situation and other questions designed to determine if the applicant is in extremis. The Triage Worker also reviews existing databases to determine if the applicant is currently receiving any benefits, or is eligible to receive them, such as unemployment insurance payments, or disability payments. If potential eligibility exists, the applicant is advised how to pursue their benefits, and is advised of the need to show proof that they have been pursued during their regular GA eligibility interview.

At the conclusion of the interview, the Triage Worker, based on the information on the forms and the applicant's interview answers, makes a decision whether to provide the applicant expedited services. Clients who receive them are assigned a GA eligibility interview within three days. Other clients may receive an interview in longer than three days, but shorter than the standard wait, which as noted earlier, was about 40 days in late 2008.

During several days observing the triage function, different staff used various reasons in deciding whether to provide expedited services, including:

- Whether the applicable portions of the SAWS 1 form were correctly completed.
- Whether there were internal inconsistencies between the answers on that form, or between information provided on that form and on the separate Triage Screening Sheet.
- Whether an applicant appeared disheveled or agitated, or had a significant odor, suggesting that they had been living on the street.
- An applicant's answers as to their current living arrangements. For example, applicants who indicated they had a living arrangement with a relative, or a stable place to stay with a friend, were less likely to get expedited services than applicants who indicated they were moving among several friends, or staying in a homeless shelter, or living on a street.
- Whether an applicant was living in a Transitional Housing Unit (THU) or other quasi-institutional arrangement where GA was expected to pay rent. Although this issue does not technically require expedited services for food stamps, in practice these applicants often get appointments sooner than the regular booking date, in order to make sure they did not use their housing. During the exit conference for this audit, DEBS staff confirmed that current practice is to process GA applications for clients living in THUs within one week, and to inform the housing operator within that time of the client's status, to ensure housing is not lost.

During our observations of this process, the workers involved noted that there were no detailed procedures for how to conduct triage. One worker acknowledged that his approach to determining whether to provide applicants expedited services may be different than other workers who manned the triage function on other days. Another worker, who we observed carrying out the function for the first time, said she found it difficult to decide whether to provide expedited services to applicants who had filled out the forms requesting them, but did not appear to be in need of emergency aid.

Meanwhile, our review of procedures manuals for the Department, and for the GA functions, confirmed that there are not detailed procedures for the triage process, in terms of what information should be reviewed on the relevant forms, what screens should be reviewed to determine if applicants have access to other benefits, and what questions should be asked to determine if expedited services are necessary.

More detailed procedures are needed for this function, for the following reasons:

- Initially during this audit, a single very experienced Eligibility Worker was responsible for the triage function. During the course of the audit, this worker unexpectedly passed away, and was replaced by the current practice of rotating the function among different Eligibility Workers, including introducing staff to

the function who had never performed it before. More detailed procedures increases the likelihood of consistent decisions being made from one worker to the next.

- Initially during this audit, applicants whose cases were not granted expedited services were provided the option of returning daily to the GA office in order to receive their formal eligibility interview from any worker available, usually because a worker's regularly scheduled interview did not show up. Such "stand-by" applicants typically were seen within five days of when their written application was submitted. However, because of a substantial increase in applications, the stand-by process was eliminated in July 2008, meaning applicants usually either receive expedited services, or must wait for their regular appointment, a delay of a month or more from the date when they initially apply. A review of application statistics provided by DEBS staff confirmed the increase in workload. For example, in October and November 2008, an average of 53 and 55 applications were received, respectively, compared to an average of about 43 applications per day over the prior 11 months, an increase of about 25 percent. On a year-over-year basis, the average of 55 applications per day in November 2008 compared with an average of 39 per day in November 2007, a 41 percent increase.

- As noted earlier, many GA applicants are currently living in transitional housing units, a type of housing, usually provided by non-profit organizations, that includes support services and is used by residents moving toward independence from other institutional settings, including incarceration, substance abuse treatment, mental health treatment and homeless shelters. These transitional housing units typically expect residents to apply for GA and use the cash benefit to pay for housing costs. In order to ensure that applicants do not use this housing, it behooves the Department to get such applicants eligible for aid quickly, even if the applicant does not technically qualify for expedited services related to Food Stamps. The triage process should include identifying such persons, and providing them eligibility appointments quickly, even if not within the three-day expedited services standard. As noted above, the Department has a practice of processing GA applications for THU residents within one week. This practice should be included in the procedures developed for the triage process, so that triage workers take it into account in scheduling appointments.

- The County must report to State and federal officials the volume of requests for expedited services received, and the volume of requested fulfilled within the three-day limit. The County's performance in this area is also subject to audit by State and federal officials. For example, New York City's Food Stamp program was the subject of numerous State and federal reviews in the late 1990s and early 2000s, including a review by the U.S. Department of Agriculture, which oversees Food Stamps, that found the city did not adequately screen applicants for expedited services and provide such services in a timely manner. The city was required to develop a corrective action plan, and the audits also led to litigation by advocates for the poor, imposing additional costs for defending the lawsuit and implementing corrective actions on the city.

Based on this review, we recommend that the Department implement more specific procedures for the triage process for General Assistance applicants. These include a description of the forms that applicants need to fill out as part of that process, the areas of those forms the triage eligibility worker should review to evaluate the need for expedited service, and additional questions and observations the triage worker should make to supplement the information on the forms.

In addition, the existing Triage Screening Sheet should be redesigned to provide a place for the Triage Worker to indicate why an applicant was not provided expedited services. Right now there is a line on the form workers can fill out stating "Action Take, Reason for Ineligibility," but this line is not always used. Instead, a series of coded boxes could be provided for reasons expedited services were not provided, with reasons including that the applicant did not request such services, the applicant provided inconsistent information on their income/assets, the applicant's appearance did not reflect an emergency situation, etc. There should also be a place to indicate situations where an earlier appointment was provided, based on the applicant residing in transitional housing. This form is a DEBS-developed form, and changes to it have occurred in the past. For example, in November 2008 the form was revised to add questions as to whether an applicant was disabled, able to work, or had applied for Supplemental Security Income, and whether they were fleeing prosecution or had been convicted of a drug-related felony, conditions which would preclude applying for Food Stamps.

By providing more detailed procedures and better documentation of decisions regarding the provision of expedited services, the Department would ensure that these decisions can be defended if they were ever audited, and will also ensure that, as the volume of GA applications increases in the face of limited resources to process them, that the applicants most in need of assistance would get it the soonest.

CONCLUSION

Federal regulations require that Food Stamp applicants in certain circumstances have their applications evaluated and benefits issued within three days of submitting a written application. In the General Assistance office, an Eligibility Worker conducts a limited review of written applications and a brief interview with applicants, to determine which applicants qualify for these expedited services. However, there are currently no formal procedures for this process to guide the workers responsible.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

5.1 Create more detailed procedures for the triage evaluation of Food Stamp applications, including what forms applicants must fill out, how the Triage Eligibility Worker should evaluate the information provided, and what

supplemental questions the worker should ask to determine which applicants are eligible for expedited services. (Priority 3)

5.2 Redesign the existing Triage Screening Sheet to provide coded boxes that can be used to indicate reasons why an applicant was rejected for expedited services. (Priority 3)

SAVINGS, BENEFITS AND COSTS

By implementing the recommendations of this section, the Department will ensure that decisions as to whether Food Stamp applicants are eligible for expedited services are reasonable and properly documented, so they could be defended if they are questioned in an audit or other proceeding. These procedures should be developed by intake staff who participate in the triage process in conjunction with GA managers. New forms could be instituted over time as stocks of the existing forms are exhausted, in order to prevent waste of the existing forms.

Section 6. Public Assistance Fraud Referrals

- **Public assistance fraud is a State-wide problem as documented by the California Department of Social Services in annual reports of actual fraud activity by county. Although concern over the level of fraud investigation and enforcement in the County of Santa Clara was raised in recent years, State reports continue to show a relatively low level of reporting and enforcement in the County.**
- **In FY 2007-08, the State-reported number of fraud referrals as a percentage of total applications received was 1.5 percent in Santa Clara County, compared to a weighted average of 4.6 percent among peer counties. In addition, the variance in the reporting of public assistance fraud between staff in DEBS ranged from more than 50 staff who reported only one or no fraud cases in FY 2007-08 to 15 staff who each reported 10 to 29 cases of fraud.**
- **Consequently, the identification and reporting of public assistance fraud in the County is inconsistent and the County may be experiencing a large amount of public assistance fraud that is going undetected and unreported.**
- **By implementing improved comprehensive, on-going training, enhancing existing public assistance fraud policies and procedures, and periodically reporting the results of prior investigations and prosecution, DEBS can increase the identification of fraud and the recovery of State, federal and County tax monies to levels consistent with the actual incidence of fraud in the County.**

Fraud Detection and Referrals

Identification, investigation and prevention of public assistance fraud are important functions of all social services agencies, which are responsible to administer public assistance programs in order to ensure that taxpayer monies are used for the intended purposes. In recent years, the County of Santa Clara Grand Jury and the California Department of Social Services have issued reports on the status of public assistance fraud in California counties, including statistical data pertaining to the incidence, investigation and enforcement of public assistance laws. These reports provided clear data on the nature and extent of the problem and the enforcement efforts by counties throughout the State.

In the Department of Employment and Benefit Services (DEBS), employees are directed to report instances of suspected fraud through a flagging system in CalWIN, the case management operating system. The online flag results in a referral to the Office of the District Attorney's Public Assistance Fraud Division. Typically, Eligibility Workers make either a Fraud Early Detection (FRED) referral or a General Fraud Referral. FRED referrals are made during the intake process and are intended to catch or prevent fraud early in a case. General referrals may take place at any time and generally occur after the period of initial determination.

FRED referrals and General referrals require the Eligibility Worker to follow guidelines for determining whether or not to make the referral and how to make the referral. The DEBS *Common-Place Handbook*, Section 42, outlines procedures for recognizing, reporting, and investigating potential fraud in public assistance programs (Attachment 6.1). Additionally, California Department of Social Services Manual Letter No. #20-353 "Fraud and Suspected Law Violations IPV in the CalWORKs Program" outlines the State's regulations pertaining to fraud in CalWORKs. Medi-Cal only cases are not investigated by the District Attorney's Office and are treated differently.

In addition, through the Income and Eligibility Verification System (IEVS), which matches applicant reported information to other employment and income databases, staff may be automatically alerted to cases of suspected fraud. In 2008, the California Department of Social Services (CDSS) conducted a mandated periodic review of the County's IEVS process for CalWORKs and Food Stamps. The report, published June 13, 2008, found that the County is performing IEVS processes efficiently with few exceptions. Therefore, the IEVS process was not a focus of this audit.

To determine the current extent of the identification, reporting and enforcement of public assistance fraud prevention efforts in the County, the Management Audit Division conducted an analysis of fraud referrals made by DEBS staff during FY 2007-08. The results of our review found that the rate of referral is inconsistent between staff and units throughout the DEBS organization, and that the rate of referral is low relative to other counties based on data reported by the California Department of Social Services.

Low and Inconsistent Referral Rate

In May 2005, the Office of the District Attorney reported to the Board of Supervisors Children, Seniors, and Families Committee with information detailing Public Assistance Fraud referral rates from the Social Services Agency (SSA).[1] For FRED referrals, the report found vast disparities in the numbers of referrals made by Eligibility Workers. The analysis showed that 77 Eligibility Workers made only one referral each in 2004; 30 Workers made two referrals each; and, at the other end of the spectrum, one Worker made 74 referrals, of which 78 percent were found to be either fraudulent or resulted in aid being reduced.

For the purposes of this audit, the Public Assistance Fraud Investigation Unit updated this analysis of FRED referrals for FY 2007-08. As compared to the data compiled for 2004, the total number of referrals in FY 2007-08 was down 22 percent to a total of 757 referrals. Similar to the data reported in 2005, in FY2007-08, the vast majority of workers made one, two, or three referrals in the period of one year. Specifically, 56 Workers made only one referral each; 41 Workers made two referrals each; and 22 Workers made three referrals each. Only 11 Workers made more than 10 referrals, and only one Worker made more than 20 referrals, whereas in 2004, seven workers referred more than 20 cases. Staff in the Fraud Investigation Unit estimate that between 10 and

[1] Children, Seniors and Families Committee Agenda Date: May 10, 2005; Agenda Item No. 7

20 Intake Workers sent no FRED referrals in FY2007-08. The distribution of referrals is listed in Table 6.1 below.

Table 6.1

FRED Referrals Sent by Social Services in FY 2007-08

Number of Eligibility Workers	Number of FRED Referrals	Total FRED Referrals
10-20*	0	0
56	1	56
41	2	82
22	3	66
11	4	44
13	5	65
12	6	72
6	7	42
6	8	48
7	9	63
4	10	40
1	11	11
2	12	24
1	13	13
2	14	28
1	17	17
1	18	18
1	19	19
1	20	20
1	29	29
189		**757**

* Staff in the Public Assistance Fraud Investigation Unit estimate that between 10 and 20 Intake Eligibility Workers made no FRED referrals in FY 2007-08. All other figures are certain.

Source: Office of the District Attorney, Public Assistance Fraud Investigation Unit

Survey interviews revealed inconsistency and problems in the fraud referral process. Some staff reported that they are not made aware of the outcomes of those few referrals that they make. However, staff in the Public Assistance Fraud Investigation Division of the Office of the District Attorney state that there is a standard protocol for communication with DEBS staff once a referral has been made. Some DEBS staff stated that the rate of investigation and prosecution was low and that, generally, there is little encouragement by their supervisors or management for them to make fraud referrals. Additionally, investigative staff report that investigators are only involved in providing fraud identification training to eligibility staff once during the tenure of each worker. They provide a thirty-minute presentation to each class of new hires during the initial

orientation period. If other fraud identification training is provided to eligibility staff, the investigative staff is not involved. This one-time training is insufficient not only due to its brevity but also because it is provided before eligibility workers are familiar with case processing.

According to the most recent information available through CDSS, during FY 2007-08, Santa Clara County's Social Services Agency reported 3,076 fraud referrals for CalWORKs, Public Assistance Food Stamps (PAFS), and Non-Assistance Food Stamps (NAFS), compared to an average of 21,687 among peer counties, including the top 10 most populous counties in the State and the City and County of San Francisco. When the County of Los Angeles is excluded, the average of the 10 comparison counties is 17,819 or more than five times greater than in the County of Santa Clara. As shown in Table 6.2, the number of fraud referrals as a percentage of total applications received for these three aid programs was 1.5 percent in Santa Clara County, compared to a weighted average of 4.6 percent among peer counties and 6.3% excluding the County of Los Angeles. While it is possible that incidents of public assistance fraud are generally lower in Santa Clara County than in peer counties, the degree of this difference suggests that reporting rates are lower.

Table 6.2

All Fraud Referrals for CalWORKs, PAFS and NAFS as a Percentage of Applications Received in FY 2007-08

County	Number of Applications	Number of Referrals	Percent Referred
Riverside	286,752	60,164	21.0%
San Diego	318,406	33,974	10.7%
Orange	308,477	25,680	8.3%
San Bernardino	458,723	29,254	6.4%
San Francisco	181,863	5,422	3.0%
Alameda	296,779	8,389	2.8%
Los Angeles	2,338,220	60,370	2.6%
Sacramento	369,329	8,119	2.2%
Ventura	119,677	2,298	1.9%
Contra Costa	117,409	2,161	1.8%
Fresno	379,408	2,729	0.7%
Average	**470,458**	**21,687**	**4.6%**
Average Excl Los Angeles	**283,682**	**17,819**	**6.3%**
Santa Clara	**210,923**	**3,076**	**1.5%**

Source: California Department of Social Services, Fraud Investigation Activity Report (DPA266), and CalWORKs Cash Grant Caseload Movement Report (CA237CW)

With such inconsistent and relatively low rates of fraud referrals, it is clear that the DEBS organization does not attach equal importance to the identification, monitoring

and reporting of public assistance fraud that it attaches to other aspects of application processing, such as timeliness standards and minimizing error rates.

To improve its monitoring, reporting and enforcement efforts, DEBS should establish a regular training program for staff focused on recognizing and reporting instances of potential fraud. The program should be ongoing and build upon the brief presentation currently provided by investigative staff during the Eligibility Worker orientation. The program should also incorporate investigative staff more thoroughly and include periodic reporting of the results of referrals. Incorporating such feedback will reinforce the importance of referrals and convey a clear picture of the nature and extent of the fraud problem in the County.

The Department should also adopt a public assistance fraud policy based on the responsibility of all county social service agencies to oversee tax payer funded public assistance programs and ensure that assistance is provided only to those eligible for assistance in accordance with State and federal law. In that context, fraud detection is critical at all stages of the eligibility and case management process. Accordingly, DEBS should attempt to achieve a level of referrals that is consistent with the incidence of fraud in the County. Based on the relatively low percentage of applications referred when compared with other counties, as well as the extraordinary range of referral rates among staff, it appears that a substantial amount of public assistance fraud is not being identified and reported by DEBS.

Limited Investigation Capacity

The Management Audit Division's 2008 audit of the Office of the District Attorney found that the current level of public assistance fraud investigation and prosecution is inadequate in Santa Clara County for a variety of reasons, including productivity issues as well as reduced staffing resources. In the audit report, we recommended that the District Attorney implement procedures to more closely monitor caseload and productivity throughout the Bureau of Investigation, as well as require the Public Assistance Fraud Division Supervisors to carry a caseload in accordance with County job specifications. Since the issuance of the audit report the District Attorney's Office reports it has implemented the recommendations and is monitoring caseload and productivity.

Similarly, in June of 2004, the Santa Clara County Civil Grand Jury released a report that found that Santa Clara County "has a very low investigation rate into welfare fraud compared with other counties in California."[2] By examining the rate of fraud referral and accompanying recovery levels, the Grand Jury report found that millions of dollars in unlawful benefits allocations could be saved by increasing the rate of fraud investigations. However, investigative staff report that staff size has limited the Division's ability to maximally work all cases. An analysis of staffing levels over the past 10 years shows personnel in the Public Assistance Fraud Investigation Division has

[2] *Inquiry Into Early Detection of Welfare Fraud*, pg. 1. Prepared by the 2003-2004 Santa Clara County Civil Grand Jury.

been reduced significantly over the past six years. As shown in Table 6.3, the Division had 40 investigative staff positions at its peak in 2002, compared to 22 positions in 2008.

Table 6.3

Public Assistance Fraud Investigation Division Staffing
1999-2008

Positions	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assist. Chief	.33	.33	.33			.33	.33			.33
Deputy Chief				.66	.66			.66	.66	.66
Lieutenant	2	2	2	3	3	3	3	2	2	1
Lead	6	6	6	6	6	6	6	5	3	3
Investigator	28	28	28	30	18	17	17	17	17	17
Total	**36.33**	**36.33**	**36.33**	**39.66**	**27.66**	**26.33**	**26.33**	**24.66**	**22.66**	**21.99**

Source: Office of the District Attorney, Public Assistance Fraud Investigation Division.

While part of the problem may be that the Public Assistance Fraud Division is not sufficiently staffed to handle the number of requests it receives, it is also possible that the referrals submitted for investigation may not provide compelling evidence for the allegation of fraud or that they are otherwise not eligible for investigation. Given the large variance in the number of referrals from Eligibility Workers, it seems possible that among DEBS staff there may be a general lack of common understanding of how to recognize and report cases of suspected fraud.

Significant Yield on Claims Recovered

Despite the relatively low rate of referral, the Public Assistance Fraud Division prevents and identifies a significant amount of fraud. FRED referrals, utilized early in the eligibility determination process, are particularly effective. In FY 2007-08, 370, or 48 percent, of the 768 FRED referrals submitted for investigation resulted in benefits being reduced, denied or discontinued. The total estimated FRED savings were more than $6,142,000, for an average of almost $8,000 saved per FRED referral received. This amounts to an average gross savings of $323,000 generated by each of the 19 case-carrying Public Assistance Fraud Investigators. Net of the cost of salary and benefits, each Investigator generates approximately $155,000 in savings.

For general fraud referrals in FY 2007-08, investigations resulted in an average of $1,681 of prevented and identified fraud per referral received, and IEVS referral investigations resulted in an average of $505 of prevented and identified fraud per referral received.

These savings are in addition to $155,000 net savings produced by each investigator in the Public Assistance Fraud Investigation Division.

By implementing improved training and public assistance fraud identification and reporting policies and procedures, public assistance fraud referrals could be made at a more consistent rate that is reflective of the actual incidence of fraud in the County. This would enable the County to potentially increase the amount of money recovered, thereby generating significant ongoing savings of State, federal and County monies. FRED referrals are particularly effective, with an average savings of almost $8,000 per referral received. As discussed earlier in this section, the number of FRED referrals sent by Social Services staff decreased 22 percent between FY 2004-05 and FY 2007-08. Given the relatively high return on FRED referrals, the rate of identification and reporting of FRED referrals should be closely monitored.

CONCLUSION

The level of fraud referrals made by the staff in the Department of Employment and Benefit Services is substantially lower than in peer counties, and the variance in the number of referrals between staff is extraordinarily high. As a result, the County may be experiencing a large amount of public assistance fraud that is going undetected and unreported. The District Attorney's significant collection rate per investigation completed is evidence that Social Services referrals are effective indicators of actual fraud. By implementing improved comprehensive, on-going training, including periodic reporting of results, and enhancing existing public assistance fraud policies and procedures, DEBS can increase the identification of fraud and recovery of State, federal and County tax monies.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

6.1 Provide staff with comprehensive, ongoing public assistance fraud training focused on the importance of recognizing and reporting instances of potential fraud, and including periodic reporting of the results of prior investigations and prosecution. (Priority 1)

6.2 Develop and implement improved training and public assistance fraud identification and reporting policies and procedures. (Priority 1)

6.3 Review and adjust Investigator staffing on an annual basis in accordance with changes in the volume of public assistance fraud referrals and the related savings realized. (Priority 2)

SAVINGS, BENEFITS AND COSTS

The implementation of these recommendations would result in an increase in the number of fraud referrals and a more consistent rate of referral among DEBS staff. Depending on the staff resources provided to the District Attorney's Public

Assistance Fraud Division, DEBS could realize significant ongoing savings of State, federal and County monies.

[Refer to "Intake Investigation Referrals (FRED)," page 42-5 and [Refer to "General Fraud Referral," page 42-11 for the appropriate referral processes and procedures.

42.1.7 Possible Criteria for FRED/General Fraud Referral

The criteria in this section are listed to help the EW determine if a FRED/general fraud referral is appropriate. If in doubt, the EW should discuss the situation with their supervisor or DA Investigator/Lead. Although the criteria listed are not always an indication of fraud, they should cause the EW to consider whether a referral may be necessary based on reasonable grounds for suspicion of fraud.

Note:

When more than one of these criteria is applicable to the case situation, this may be grounds to make a referral.

Absent parents:

- The father(s) of any of the child(ren) for whom aid is requested is unknown.
- The whereabouts of any of the absent parent(s) is unknown.
- The applicant/recipient has not cooperated with the Local Child Support Agency (LCSA) at any time in the past.
- The absent parent's child(ren) was conceived while the family was on CalWORKs.
- There is a history of marital separation when the unemployed parent becomes employed.
- There is a lack of information or conflicting information regarding the absent parent.
- An applicant is reapplying for aid within three months of discontinuance, claiming absent parent deprivation and the reason for the previous discontinuance was the employment of the absent parent who returned to the home.
- The applicant/recipient doesn't know the names of the schools the children attend.
- The mother claims she knows nothing about the absent parent (other than his name), but he is the father of more than one of her children.
- The client is living with relatives of the absent parent.

Changes in Residence:

- A request for Homeless Assistance (HA) is suspicious (e.g. the client moves out and into the same residence).
- The applicant/recipient recently moved from another county or state and there is conflicting information about the client's situation.
- More than one client receives aid at the same address and the applicant/recipient fails to disclose this information.

Identification/Documentation:

- Identification provided by the applicant/recipient appears to be false.
- The applicant/recipient presents documentation which does not appear authentic (e.g. questionable handwritten documents or questionable birth documentation).

Other:

- There was a prior founded welfare fraud referral.
- The applicant's/recipient's expenses are substantially greater than their income.
- The applicant/recipient gives vague answers or inconsistent answers.

The above criteria are not all-inclusive. If other information leads the EW to suspect fraud, a FRED/General Fraud Referral should be made.

42.2 Intake Investigation Referrals (FRED)

42.2.1 Overview

The intake investigation referral process is known as "Fraud Early Detection" (FRED). Although primarily used by intake workers, a FRED referral may also be initiated by a continuing worker in many circumstances. For example, the continuing worker should initiate a FRED referral if there are reasonable grounds for suspicion of fraud when adding a program to an existing case or restoring benefits when the client reapplies within one month of discontinuance.

Section 7. Department Span of Control

- **The Department of Employment and Benefit Services (DEBS) currently has a span of control of 7.6 staff per supervisor, which is slightly higher than the ratio in the Social Services Agency (SSA) as a whole but significantly lower than the ratio County-wide. For all departments in the County, the span of control is 10.2 staff per supervisor in FY 2008-09. Further, approximately 60 percent of the Department's major bureaus or offices do not meet or exceed the Department or SSA ratio of staff per supervisor. Despite the low span of control in DEBS, supervisors have difficulty monitoring all of the management reports that are available on a regular basis because many of them are long and do not provide summary information.**

- **According to organizational management theory, a low span of control can reduce the efficiency and productivity of organizations, such as DEBS, by distorting information as it flows through the organization; contributing to slow, ineffective decision-making and action; fostering increased functional walls and "turf games"; placing a greater emphasis on controlling the bureaucracy rather than on customer service; contributing to higher costs due to the number of managers and support staff; and resulting in less responsibility assumed by subordinates for the quality of their work.**

- **Based on a survey of all DEBS employees, approximately 38 percent of respondents disagreed that morale in the Department is generally high, and approximately 37 percent disagreed that morale in their office or bureau is generally high. The level of disagreement with these statements by office or bureau reached as high as three-quarters of responding employees. In comparison, at only five of 17 offices or bureaus did less than a fifth, or 20 percent, of responding employees disagree. A large percentage of responding employees in several locations also disagreed with the statement that the quality of communication between managers and staff is good.**

- **Increasing the span of control and developing more useful management reports would help improve employee morale, communication with management and the Department's overall efficiency and effectiveness. At a minimum, the Department should reduce the number of supervisors by eight full-time positions, or nearly 25 percent of the reduction that would be needed to achieve the County-wide ratio, for a total ongoing savings of approximately $920,000. Because the positions are funded with revenue from state, federal or other sources, the General Fund savings that would result from this reduction is estimated at about $50,000 annually.**

Span of Control

The term "span of control" refers to the number of subordinates who report directly to a single manager, supervisor or lead. The span of control and number of layers within an organization are related as follows:

- A low span of control (i.e., few subordinates per manager, supervisor or lead) leads to a tall organization (i.e., one with many layers); and,

- A high span of control (i.e., many subordinates per manager, supervisor or lead) leads to a flat organization (i.e., one with few layers).

Annually, the County Executive's Office of Budget and Analysis (OBA) calculates span of control for the entire County as part of the Recommended Budget. For FY 2008-09, OBA calculated a County-wide span of control of approximately 10.2 staff per supervisor. In addition, the span of control for the Social Services Agency (SSA) was approximately 7.4 staff per supervisor, or about 2.7 fewer staff per supervisor than the County-wide ratio.

Because OBA's calculation does not examine individual departments within SSA, the Management Audit Division utilized organizational charts provided by the Department of Benefit and Employment Services (DEBS) in April 2008 to determine its span of control.[1] Based on those charts, we calculated a span of control for DEBS of approximately 7.6 staff per supervisor. While the span of control in DEBS is similar to the span of control in SSA as a whole, it is also smaller than the County-wide ratio by 2.5 staff per supervisor.

Except for departments in SSA, the span of control calculation performed by OBA does take into account individual departments. The Department of Child Support Services, for instance, has a span of control of approximately 10.6 staff per supervisor. As shown in Table 7.1, the span of control in DEBS, while similar to SSA, is far less than the ratios in DCSS and County-wide.

Table 7.1

Comparison of Span of Control in DEBS and County-wide

	Supervisor Positions	Staff Positions	Total Positions	Staff per Supervisor
Dept. of Child Support Services	26.0	275.0	301.0	10.6
Social Services Agency	305.0	2,270.5	2,575.5	7.4
County-wide Total	1,348.1	13,709.7	15,057.7	10.2
Dept. of Empl/Benefit Services	**143.0**	**1,115.0**	**1,258.0**	**7.6**
DEBS Compared to County-wide	**-**	**-**	**-**	**-2.5**

Source: County Executive's Office of Budget and Analysis, Span of Control Analysis; and Department of Benefit and Employment Services, Organizational Charts

[1] The organizational charts were provided in April 2008 and showed a total of 1,258.0 FTE positions. However, as of July 2, 2008, DEBS had a total of 1,262.5 FTE positions budgeted in FY 2008-09, or 4.5 more positions than appeared on the organizational charts.

Further, while some of the 17 bureaus or offices within DEBS meet or exceed the Department or SSA ratio of staff per supervisor, approximately 60 percent do not.[2] They include the Senter Road District Office, East Valley District Office, Administrative Support Bureau, CalWORKs Senter Road Office, South County District Office, Medi-Cal Service Center, Foster Care Eligibility Bureau, Employment Support Initiative, and Administration.[3] Table 7.2 shows the span of control by bureau or office.

Table 7.2

Span of Control by Bureau or Office in DEBS as of April 2008

Bureau or Office	Supervisor Positions	Staff Positions	Total Positions	Staff per Supervisor
Corrective Action Bureau	1.0	17.0	18.0	17.0
General Assistance Program	11.0	93.5	104.5	8.5
Assistance Application Center	17.0	137.0	154.0	8.1
CalWORKs Employment Services	16.0	124.0	140.0	7.8
VMC Medi-Cal Eligibility Bureau	8.0	60.0	68.0	7.5
North County District Office	7.0	52.0	59.0	7.4
Senter Road District Office	11.0	80.0	91.0	7.3
East Valley District Office	11.0	79.0	90.0	7.2
Administrative Support Bureau	4.0	28.0	32.0	7.0
CalWORKs Senter Road Office	8.0	54.0	62.0	6.8
South County District Office	6.0	40.5	46.5	6.8
Medi-Cal Service Center	30.0	200.5	230.5	6.7
Foster Care Eligibility Bureau	7.0	42.0	49.0	6.0
Employment Support Initiative*	3.0	13.0	16.0	4.3
Administration**	3.0	11.0	14.0	3.7
Eligibility Worker I Training***	-	47.0	47.0	-
Vacant Codes	-	36.5	36.5	-
Department Total	**143.0**	**1,115.0**	**1,258.0**	**7.6**
Department Total without Trainees and Vacancies	**143.0**	**1,009.5**	**1,174.5**	**7.1**

* Two supervisors in the Employment Support Initiative have various responsibilities in addition to supervising staff, such as serving as community liaisons and supervising contractors for projects. The third supervisor oversees the Audit Unit.

** Administration contains all three executive managers and various other administrative and support staff.

*** Trainees are supervised by staff with Staff Development and Training in the Social Services Agency.

Source: Department of Benefit and Employment Services, Organizational Charts

The organizational unit designated Administration contains all three executive managers, including the Director of DEBS, Administrator of Benefit Services and

[2] This excludes the organizational units for Eligibility Worker I Training and Vacant Codes.

[3] At the time field work was performed and data was analyzed, the Department operated an East Valley District Office and Senter Road District Office. Staff in these offices have subsequently been combined into one location on Senter Road.

Administrator of Employment Services, as well as various other administrative and support staff. Because the executive managers oversee mid-level managers in other areas of the Department, the span of control related to these managers and their direct and indirect reports is actually greater than appears in Table 7.2.

Additionally, there is no span of control associated with two areas of the Department: Employment Worker I Training and Vacant Codes. As of April 2008, DEBS had 47.0 FTE positions that were in the process of being trained by Training Specialists and Department staff and 36.5 FTE positions that were vacant and unaffiliated with one of the other bureaus or offices. As shown in Table 7.2, by removing these positions, the span of control drops to 7.1 staff per supervisor.

Attachment 7.1 presents the range of staff to supervisor ratios in the various units that provide client services or clerical support in each bureau or office. Among units that provide services for clients, the span of control ranges from 3.0 to 16.0 staff per supervisor. As expected, the staff to supervisor ratios are higher in units that perform a clerical function. Among these units, the span of control ranges from 4.0 to 38.0 staff per supervisor.

Advantages of Higher Spans of Control

Studies by other jurisdictions have noted that higher spans of control and flatter structures are beneficial because they reduce problems such as:

- The distortion of information as it flows through the organization;
- Slow, ineffective decision-making and action;
- Increased functional walls and "turf games";
- Greater emphasis on controlling the bureaucracy rather than on customer service;
- Higher costs due to the number of managers and support staff; and,
- Less responsibility assumed by subordinates for the quality of their work."[4]

In organizations with higher spans of control, supervisors are forced to delegate work, establish clear policies and procedures, and carefully select subordinates. DEBS staff are already given a fair amount of written guidance. For example, the State has issued extensive regulations for most Department functions, which are contained in extensive procedure manuals that are available on the SSA Intranet and updated frequently.[5] The

[4] King County Auditor, "Report No. 94-1," King County, Washington.

[5] The Handbooks Page houses a multitude of materials related to day-to-day operations, including County Policies, Updates to Policy, Policy Interpretations (questions and answers to policy questions from staff), The Chart book (including property limits, income limits, and minimum and maximum payment amounts), the User's Guide to State Systems (directives on how to use MEDS and make corrections to MEDS), Program Directives (policy decisions

Department's clear written procedures and work that is fairly routine in some areas thus lend themselves to establishing a higher span of control.

Larger spans of control also have several positive effects on individual attitudes and behavior, including improving employee morale. As noted in an article on span of control, "Wider spans will generally entail more responsibility be given to subordinates, thereby making the job more fulfilling. At the same time, a flatter structure will provide more growth for the subordinates and create more reliance and trust from the supervisor."[6]

During the course of the audit, we surveyed DEBS employees on a variety of issues, including morale. Specifically, we asked employees if they agreed with the statement that "morale is generally high" in DEBS as a whole, in their particular office or bureau, and in their individual unit. Approximately 38 percent disagreed with this statement for DEBS as a whole, which could indicate that they believe morale in the Department is low. About 37 percent disagreed with the statement for their office or bureau, and 24 percent disagreed with the statement for their individual unit. Employees within the Assistance Application Center, Corrective Action Bureau and South County District Office most often disagreed that morale in DEBS and their office or bureau is generally high, with between 68 percent and 78 percent of respondents from these locations disagreeing with the statements. In comparison, none of the employees responding from Administration, the Employment Support Initiative or Foster Care Eligibility Bureau disagreed with the statements, while only about 9 percent of General Assistance staff and 17 percent of Medical-Service Center staff who responded disagreed.

Furthermore, when asked to agree or disagree with the statement that "the quality of communication between managers and staff is good," at least 50 percent of staff from the Assistance Application Center, Corrective Action Bureau, East Valley District Office and VMC Medi-Cal Eligibility Bureau disagreed. Their responses indicate that they believe communication is a problem in their office or bureau and/or within DEBS as a whole.

Finally, the Department-wide survey asked employees whether they were satisfied with the number of supervisors and managers in the Department. Of those who responded, approximately 64 percent were satisfied with the number of supervisors and only 59 percent were satisfied with the number of managers. Employees in the Assistance Application Center and Corrective Action Bureau were particularly displeased with the number of supervisors and/or managers. The span of control in these locations is higher than in other areas of the Department. Thus, while some employees who were not satisfied may have felt that more supervisors and managers were needed, rather than less, employee comments at the end of the survey appear to indicate otherwise.

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that require immediate notification), and tools for staff to use for processing income in the form of the scratch budgets.

[6] Hattrup, George P., "How to Establish the Proper Span of Control for Managers," *Industrial Management*, November 1, 1993.

Increasing the Span of Control

To help address the morale and communication problems within the Department, the span of control should be increased. If the Department were to achieve a span of control of 10.2 staff per supervisor, similar to the span of control for all departments throughout the County, it would need to eliminate at least 33.0 FTE positions that serve as supervisors. Since a 33.0 FTE position reduction would be difficult to achieve and could be detrimental considering the role of supervisors, we present three alternative reduction levels in Table 7.3 below.

Table 7.3

Staffing Reduction to Increase DEBS's Span of Control

	Supervisor Positions	Staff Positions	Total Positions	Staff per Supervisor
Current Staffing	143.0	1,115.0	1,258.0	7.6
Staffing Based on County-wide Ratio	109.6	1,115.0	1,224.6	10.2
Staffing Reduction	**-33.4**	-	-	-
75% Reduction	**-25.0**	-	-	-
Staffing with 75% Reduction	118.0	1,115.0	1,233.0	9.5
50% Reduction	**-16.7**	-	-	-
Staffing with 50% Reduction	126.3	1,115.0	1,241.3	8.8
25% Reduction	**-8.3**	-	-	-
Staffing with 25% Reduction	134.7	1,115.0	1,249.7	8.3

Source: Board of Supervisors Management Audit Division

At a minimum, the Department should eliminate at least eight full-time supervisor positions, or nearly 25 percent of the reduction that would be needed to achieve the County-wide ratio. This would result in a span of control of approximately 8.3 staff per supervisor, which we believe is reasonable considering the Corrective Action Bureau, General Assistance Program and Assistance Application Center already operate with a span of control of at least 8.1 staff per supervisor.

In eliminating supervisor positions, the Department should target units with a span of control of 6.0 or fewer staff per supervisor. As shown in Attachment 7.1, this would include units in all bureaus or offices except for the Administration Support Bureau and North County District Office. Further, for units that handle benefits, the reduction should aim to maintain a span of control of no more than 8.0 staff per supervisor in intake units and at least 8.0 staff per supervisor in continuing units. It should be noted that many supervisors, including those who oversee eligibility staff, are not assigned an active caseload, though they may assist with case processing when staff are out of the office.

The General Fund savings that would result from the eight-position reduction would depend on the cost of the positions eliminated and the loss of revenue that the positions generate from state, federal or other sources. On the next page, Table 7.4 provides a summary of the current positions that perform a supervisory role, excluding executive managers, and the average cost of each position, including salary and benefits.

Table 7.4

Current DEBS Positions that Perform a Supervisory Role

Classification	Total Positions	Average Cost
Administrative Support Officer I	1.0	$105,849
Administrative Support Officer II	1.0	$111,844
Administrative Support Officer III	1.0	$121, 795
Eligibility Work Supervisor	81.0	$114,567
Employment Program Manager	2.0	$136,761
Employment Program Supervisor	16.0	$127,769
Internal Auditor III	1.0	$121,269
Office Management Coordinator	13.0	$104,144
Social Services Program Control Supervisor	2.0	$122,300
Social Services Program Manager I	8.0	$136,761
Social Services Program Manager II	7.0	$146,440
Social Services Program Manager III	5.0	$157,891
Social Work Supervisor	2.0	$132,141

Source: County Executive's Office of Budget and Analysis, Position Detail for the FY 2008-09 Recommended Budget

Attachment 7.2 presents the supervisor classifications, excluding executive managers, by bureau or office. Based on the number and size of units, the areas of the Department that appear to have the greatest potential for reducing the number of supervisors are the Foster Care Eligibility Bureau, Medi-Cal Service Center, East Valley District Office, Senter Road District Office, and CalWORKs Employment Services. The Department could potentially eliminate an Administrative Support Officer I, five Eligibility Work Supervisors, and an Office Management Coordinator from these areas.[7] There may also be an opportunity to eliminate a Social Services Program Manager I from the Assistance Application Center, which currently has three mid-level managers. In comparison, most other bureaus or offices are staffed with just one mid-level manager. While the total ongoing savings of the eight-position reduction is estimated at approximately $920,000, the General Fund savings after accounting for revenue losses would amount to about $50,000 annually.[8]

[7] Of the five Eligibility Work Supervisors that we suggest eliminating, one position could be taken from the East Valley District Office, three positions could be taken from the Medi-Cal Service Center, and one position could be taken from the Senter Road District Office.

[8] Information regarding the amount of General Fund subsidy for various Social Services functions has fluctuated in various budget documents in recent years. As a result, for the purposes of this study, the Management Audit Division used the most recent estimates available from the Social Services Agency.

Section 3 of this audit report recommends the elimination of 15 full-time Eligibility Workers through attrition following the renegotiation of the labor contract to replace the current caseload cap/formula for Generic Intake Workers with a range. If this recommendation is implemented or any other staff positions are eliminated in the current or a future fiscal year, the span of control should be re-examined and adjusted to maintain a ratio of approximately 8.3 staff per supervisor.

As mentioned previously, SSA as a whole currently has a span of control of 7.4 staff per supervisor, which is also less than the County-wide average. SSA Administration should thus review the span of control in every other department in the Agency. Similar to DEBS, other departments with a span of control of less than 8.0 staff per supervisor should be required to reduce the number of supervisors. OBA should also calculate the span of control for individual departments in SSA as part of its annual span of control analysis.

Improving Management Information

At the same time that supervisor positions are eliminated in order to reduce the Department's span of control, management information needs to be improved to provide remaining supervisors with reports that are useful and user friendly.

Currently, both CalWIN and the Decision Support and Research (DSR) Unit generate reports for eligibility staff to use as a management tool. Using Business Objects software, the DSR Unit had created and was running a total of 77 daily or weekly reports and 222 monthly reports at the time of the audit.[9] In addition, of the 787 reports available in CalWIN, only 92 had been validated and were ready for use as of July 16, 2008. Another 13 reports had an error in the programming logic, eight reports were not associated with any data in CalWIN or were not used, and 15 reports were not useful and were recommended for suspension.

To help navigate the hundreds of reports currently available, Chapter 15 of the DEBS Supervisor's Handbook describes various reports that eligibility supervisors should use on a routine basis to assess the needs and performance of workers in their units.[10] These reports are divided into the following categories:

- **Application Reports**, including reports on the number of days pending, expedited Food Stamps cases pending for more than two days, pending applications associated with a case ID, and pending applications not associated with a case ID

- **Caseload Management Reports**, including listings of open/active administrative overpayment claims, cases by unit or worker caseload, cases in closed status,

[9] Some of the daily, weekly and monthly reports are duplicative in that they measure the same thing but for different areas of the Department.

[10] The DEBS Supervisor's Handbook was last revised in February 2002. Since many changes have taken place since then, DEBS is in the process of reviewing and revising the handbook to reflect new terminologies, business processes and supervisor controls. A revised version of Chapter 15 on "Eligibility Supervisor Controls" was issued in October 2008.

earned income cases, Medi-Cal only cases that have discontinued, and periodic reports that have been received but not processed.

- **Exception Message Reports**, including reports on mass update exceptions and caseload exceptions.

- **Food Stamp Review Reports**, including a listing of food stamp cases for supervisor review.

- **MEDS/CDB Reports**, including reports on MEDS performance measure tracking and exception eligible tracking.

- **Miscellaneous Reports**, including a weighted control log.

- **RRR Reports**, including listings of overdue re-determinations and re-determinations due in a particular month.

During interviews with managers and supervisors, staff repeatedly mentioned the difficulty in monitoring all of the reports that are available on a regular basis, particularly since many of them are long and do not provide summary information. Comments from supervisors included that the reports have titles that are incomprehensible, contain too much detailed information, lack useful information such as the date that a case is assigned to a worker, and are lengthy and difficult to look at quickly. Several supervisors noted that the number of reports is overwhelming, so they end up prioritizing some reports over others. One manager added that she developed a summary sheet of reports that her supervisors should focus on in a given month and when (i.e., daily, weekly or monthly) since more than 30 reports applied to the functions in her office. The summary sheet identifies a total of nine reports that should be monitored, including one on a daily basis, four on a weekly basis, three on a twice monthly basis, and one on a monthly basis. While some of the other managers may have adopted this tool in their office, the practice is not widespread throughout the Department.

The number, length and content of existing reports makes it difficult for eligibility supervisors to quickly and accurately ascertain the performance and productivity of their workers. The Department should therefore develop reports in Business Objects that provide summary information on useful indicators, including but not limited to the following:

- Intake workers – number of applications assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, and average number of days assigned to an application; and,

- Continuing workers – number of cases assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, percent of re-determinations overdue, percent of periodic reports not processed, and number of cases discontinued.

In addition, the Department has been developing "dashboard measures" to evaluate its performance based on available data. The measures, which touch on all areas of the Department, should be finalized by the end of 2008 and will become the basis for the Department's performance based budgeting. As a result, once the reports that are recommended above have been developed, the Department should determine whether any of the new indicators on staff performance and productivity should become a dashboard measure. For benefits intake, this could include the average number of days that workers are assigned to applications before they are processed.

CONCLUSION

The Department currently has a span of control of 7.6 staff per supervisor, which is slightly higher than the ratio in the Social Services Agency as a whole, but significantly lower than the ratio County-wide. Further, approximately 60 percent of the Department's major bureaus or offices do not meet or exceed the Department's or the Social Service Agency's ratio of staff per supervisor. The low span of control could be contributing to poor morale among employees and poor communication between managers and staff. To address these problems and improve the Department's overall efficiency and effectiveness, the span of control should be increased and more useful management reports should be developed.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

7.1 Increase its span of control by eliminating at least eight full-time supervisor positions, thereby achieving a ratio of approximately 8.3 staff per supervisor. In eliminating supervisor positions, the Department should target units with a span of control of 6.0 or fewer staff per supervisor. For units that handle benefits, the reduction should aim to maintain a span of control of no more than 8.0 staff per supervisor in intake units and at least 8.0 staff per supervisor in continuing units. (Priority 2)

7.2 Re-examine and adjust the span of control to maintain a ratio of approximately 8.3 staff per supervisor with the elimination of the 15 full-time Eligibility Workers recommended in Section 3, or any other staff positions in the current or a future fiscal year. (Priority 3)

7.3 Develop reports in Business Objects that provide summary information on useful indicators of eligibility staff performance and productivity, including but not limited to the following:

A. Intake workers – number of applications assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, and average number of days assigned to an application; and,

B. Continuing workers – number of cases assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, percent of re-determinations overdue, percent of periodic reports not processed, and number of cases discontinued. (Priority 2)

7.4 Determine whether any of the new indicators should become a dashboard measure as part of the Department's performance based budgeting. (Priority 2)

The Social Services Agency should:

7.5 Review the span of control in every other department in the Agency and require departments with a span of control of less than 8.0 staff per supervisor to reduce the number supervisors. (Priority 3)

The Office of Budget and Analysis should:

7.6 Calculate the span of control for individual departments in the Social Services Agency as part of its annual span of control analysis. (Priority 3)

SAVINGS, BENEFITS AND COSTS

By increasing the span of control, DEBS would save an estimated $920,000 on an ongoing basis, of which about $50,000 would be direct savings to the General Fund. A larger span of control would also help to address the morale and communication problems within the Department by forcing supervisors to delegate work, establish clear policies and procedures, and carefully select subordinates. Developing summary reports in Business Objects would also help eligibility supervisors to quickly and accurately ascertain the performance and productivity of their workers. There may also be an opportunity to increase the span of control in other SSA departments, thereby generating additional savings for the County and improved attitudes and behavior among staff.

Each of the recommendations listed above could be implemented using existing staff and resources.

Attachment 7.1

Range of Staff to Supervisor Ratios in DEBS Units that Provide Client Services or Clerical Support

Bureau or Office	*Client Services* Number of Units	Minimum Ratio	Maximum Ratio	*Clerical Support* Number of Units	Minimum Ratio	Maximum Ratio
Administration and Support:						
Administration	-	-	-	-	-	-
Administrative Support Bureau	2	9:1	11:1	1	7:1	7:1
Corrective Action Bureau	-	-	-	-	-	-
Foster Care Eligibility Bureau***	5	3:1	9:1	1	9:1	9:1
Benefit Services:						
Assistance Application Center*	12	5:1	8:1	2	6:1	38:1
East Valley District Office**	9	5:1	9:1	1	15:1	15:1
Medi-Cal Service Center**	25	5:1	9:1	2	12:1	20:1
North County District Office***	5	7:1	8:1	1	13:1	13:1
Senter Road District Office**	9	6:1	9:1	1	13:1	13:1
South County District Office***	4	6:1	8:1	1	12:1	12:1
VMC Medi-Cal Eligibility Bureau*	6	6:1	8:1	1	16:1	16:1
Employment Services:						
CalWORKs Employment Services**	10	6:1	12:1	2	4:1	7:1
CalWORKs Senter Road Office*	6	5:1	9:1	1	6:1	6:1
Employment Support Initiative	3	3:1	4:1	-	-	-
General Assistance Program***	9	6:1	16:1	1	16:1	16:1

* Contains intake units.
** Contains continuing units.
*** Contains intake and continuing units.

Source: Department of Benefit and Employment Services, Organizational Charts

Attachment 7.2

Supervisor Classifications Excluding Executive Managers
by Bureau or Office in DEBS

Bureau or Office	Admin Support Officer I*	Admin Support Officer II*	Admin Support Officer III*	Eligibility Work Supv*	Employ Program Mgr**	Employ Program Supv*	Internal Auditor III*	Office Mgmt Coordinator*	Social Svcs Prog Ctr Supv*	Social Svcs Prog Mgr I**	Social Svcs Prog Mgr II**	Social Svcs Prog Mgr III**	Social Work Supv*	Total
Administration														0.0
Administrative Support Bureau								1.0	2.0	1.0				4.0
Assistance Application Center		1.0		12.0				1.0		2.0		1.0		17.0
CalWORKs Employment Services					1.0	10.0		2.0		2.0		1.0		16.0
CalWORKs Senter Road Office						5.0		1.0			1.0		1.0	8.0
Corrective Action Bureau										1.0				1.0
East Valley District Office				9.0				1.0				1.0		11.0
Employment Support Initiative					1.0		1.0				1.0			3.0
Foster Care Eligibility Bureau	1.0		1.0	4.0							1.0			7.0
General Assistance Program				7.0		1.0		1.0			1.0		1.0	11.0
Medi-Cal Service Center				25.0				2.0		2.0		1.0		30.0
North County District Office				5.0				1.0			1.0			7.0
Senter Road District Office				9.0				1.0				1.0		11.0
South County District Office				4.0				1.0			1.0			6.0
VMC Medi-Cal Eligibility				6.0				1.0			1.0			8.0
Department Total	**1.0**	**1.0**	**1.0**	**81.0**	**2.0**	**16.0**	**1.0**	**13.0**	**2.0**	**8.0**	**7.0**	**5.0**	**2.0**	**140.0**

* Considered a line supervisor.
** Considered a mid-level manager.

Source: Department of Employment and Benefit Services, Organizational Charts

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Section 8. Sick Leave Usage and Morale

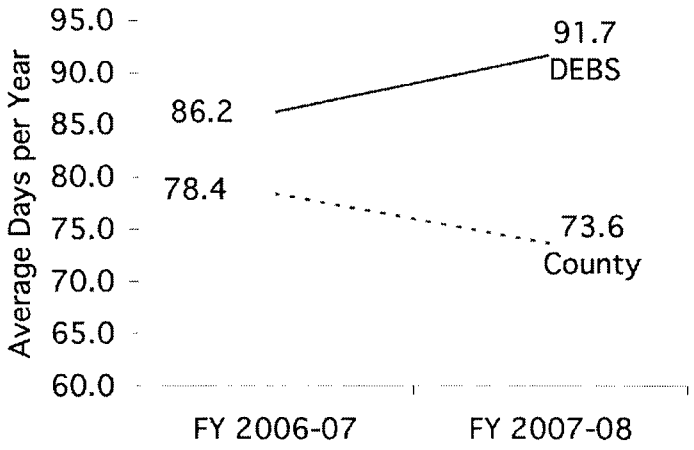
- **The Department of Employment and Benefit Services (DEBS) has a high absentee rate. Compared to the County-wide average, DEBS employees take an average of 25 percent more sick leave. The average number of sick hours taken in FY 2007-08 amounted to more than 91 hours for DEBS employees, and just 74 hours for all employees in the County. The absentee rate in the General Assistance (GA) Eligibility Unit is particularly high. In FY 2007-08, the average employee in GA Eligibility took approximately 104 hours of sick leave, or nearly 13 days.**
- **In addition, approximately 51 percent of sick leave taken by DEBS employees is adjacent to a holiday or weekend, indicating potential morale problems. The Management Audit employee survey of DEBS employees found that nearly 40 percent of employees feel morale in the department is not high.**
- **Based on payroll data, the County paid DEBS employees approximately $2.9 million for the 104,408 hours lost to sick leave in FY 2007-08. Reducing these lost work days by 25 percent, to a total sick leave closer to the County-wide average, would increase the Department's productivity, an opportunity cost savings of approximately $740,000 annually.**
- **The Social Services Agency should thus establish a formal policy and procedure on the use of sick leave in accordance with leave provisions in the County's labor agreements, and DEBS should develop programs that reward employees for reducing their use of sick leave. An incentive that would not create an immediate cost, but could have a significant impact, would be to convert unused sick leave to retirement credit. By reducing absenteeism, DEBS could increase productivity and potentially improve employee morale.**

Use of Sick Leave

Employees of the Department of Employment and Benefit Services (DEBS) take a large amount of sick leave each year, averaging more than 91 hours in FY 2007-08 (or nearly 12 days per year). The average sick leave taken by DEBS employees far exceeds the FY 2007-08 County-wide average of 74 hours (or just nine days per year). The average sick leave usage of DEBS employees routinely surpasses the County-wide average. In FY 2006-07, DEBS employees took more than 86 hours of sick leave, whereas the average County employee took only 78 hours of sick leave. Sick leave usage also appears to be increasing among DEBS employees, while decreasing among County employees. As shown in the chart below, from FY 2006-07 to FY 2007-08, County employees used about four fewer hours of sick leave on average, and DEBS employees used about six more hours of sick leave on average.

Chart 8.1

Comparison of Sick Leave Usage by Employees
County-wide and in DEBS*



* Includes sick leave coded as "First Day Sick" and "Sick Leave Used"

Source: **Controller-Treasurer Department, PeopleSoft Payroll Data**

Based on benefits negotiated between the County and bargaining units, employees accrue unused sick leave to future years. While most employees within DEBS are allowed to accrue up to 12 days per year, six percent of DEBS employees accrue only eight sick days per year. Table 8.1 details the sick leave provisions for DEBS employees by bargaining unit.

Table 8.1

Allowances for Sick Leave of DEBS Employees
by Individual Bargaining Unit

	County Employees Mgmt Association (CEMA)	SEIU Local 715	SEIU Local 535 Supervisory Chapter	SEIU Local 535 Worker Chapter	Administrative Confidential Employees (ACE)
Percent of DEBS staff	5.8%	30.4%	7.1%	56.1%	0.1%
Rate of accrual	64 hours per year (or 8 days)	96 hours per year (or 12 days)	96 hours per year (or 12 days)	96 hours per year (or 12 days)	12 days per year
Accrual provisions	Sick leave may accrue without limitation.	Sick leave may accrue without limitation.	Sick leave may accrue without limitation.	Sick leave may accrue without limitation.	Sick leave may accrue without limitation.
Doctor's Notes	Required for sick leave with pay in excess of three days	Required for sick leave with pay in excess of three days	May be required for sick leave with pay in excess of three days	Required for sick leave with pay in excess of three days	Not required

Source: Department of Employment and Benefit Services, Administrative Staff

When sick leave trends are further analyzed by individual units within DEBS, data show that the average employees in every unit take more sick leave than the average County employee (74 hours per year). Employees within the cost center for General Assistance Eligibility take the most amount of sick leave per employee, at an average of about 104 hours per year (13 days per year), which is 41 percent more sick leave than the average County employee.

Table 8.2

Average Sick Leave Usage by DEBS Division in FY 2007-08

Division	Average Hours of Sick Leave per FTE	Average Days of Sick Leave per FTE
General Assistance Eligibility	103.8 hours	13.0 days
General Assistance Support Staff	99.9 hours	12.5 days
Benefit Support Staff	98.2 hours	12.3 days
Vocational Services	94.9 hours	11.9 days
Eligibility Programs	92.0 hours	11.5 days
Employment Services	90.8 hours	11.4 days
Employment Services Support Staff	85.5 hours	10.7 days
SSI Advocacy & CalWORKs Social Workers	85.2 hours	10.7 days
Employment Services Administrative Support Staff	81.3 hours	10.2 days
DEBS Administration	78.7 hours	9.8 days
Average	**91.0 hours**	**11.4 days**

Source: Controller-Treasurer Department, PeopleSoft Payroll Data

It should be noted that a small proportion of employees within one unit taking an exorbitant amount of sick leave could unfairly skew the data for the entire group. The Management Auditor analyzed the data for this possibility, yet we did not find that to be the case within DEBS. For example, 60 percent of employees in the cost center for General Assistance Eligibility logged more than 74 hours of sick leave in FY 2007-08 (or more than the County-wide average) and the median hours of sick leave was 88. Similarly, within the cost center for DEBS Administration, the median hours of sick leave taken was 67, and a full 47 percent of Administration employees logged more sick leave than the County-wide average.

Further, the timing of sick leave among DEBS employees is also of interest. In FY 2007-08, DEBS employees took a large portion of sick leave adjacent to a holiday or a

weekend. In every DEBS unit, at least 43 percent of all sick leave was taken adjacent to a holiday or on a Monday or Friday. Across the Department, an average of 51 percent of sick leave was taken adjacent to a weekend or holiday. There is no way to verify that the sick leave taken by DEBS employees was or was not for legitimate health concerns. However, the large proportion of sick leave taken near weekends and holidays is indicative of potential absenteeism and morale problems within the Department.

The total payroll cost to DEBS for the 104,408 hours of employee sick leave taken in FY 2007-08 amounted to approximately $2,968,534. This figure does not include the cost of potential reduced productivity. However, if DEBS employees reduced their amount of sick time by just 25 percent down to an average of approximately 74 hours per FTE position (the County-wide average for sick leave usage), the reduction would increase the Department's productivity, an opportunity cost savings of approximately $742,133 annually.

Sick Leave Policy and Procedure

Both the Social Services Agency (SSA) and DEBS lack a formal policy and procedure governing the use of sick leave by employees. When asked if a policy and procedure exists, DEBS referred us to the labor agreements. The sick leave provisions contained in the agreements are summarized in Table 8.1 on Page 132. As shown, based on these provisions, the majority of DEBS staff are required to provide a statement from an accredited physician when requesting sick leave with pay in excess of three working days.

To comply with sick leave provisions in the labor agreements, other County departments have established a sick leave policy and procedure. The Parks and Recreation Department's policy, for instance, instructs employees to obtain a physician's statement describing the reason(s) for the use of sick leave if leave extends beyond three consecutive working days. (The Parks and Recreation Department sick leave policy is attached at the end of this section as Attachment 8.1.) SSA should thus establish a similar formal policy and procedure on the use of sick leave. The new policy and procedure should be enforced consistently throughout the Agency and within DEBS.

Employee Morale

Many studies have found links between excessive sick leave and employee morale problems. Noting the large amounts of sick leave taken by DEBS employees, it is no surprise that a good percentage of staff disagreed with statements that morale is high, as part of a survey that was conducted. More staff disagreed with these statements as they related to the Department and their office or bureau, rather than their unit. While only about 24 percent of DEBS employees who responded to the survey disagreed that morale in their unit is generally high, at least about 37 percent disagreed that morale in their office or bureau, as well as the Department, is generally high. Employees in the Assistance Application Center, Corrective Action Bureau and South County District Office reported the highest rate of disagreement, with at least 68 percent of respondents from each location disagreeing that morale is generally high in their office or bureau

and the Department. Table 8.3 summarizes the results of the Department-wide staff survey on morale.

Table 8.3

Survey Responses Regarding Morale in DEBS

Survey Statement	Percent Disagree
Morale in the Department is generally high.	38.3 %
Morale in my office or bureau is generally high.	36.5 %
Morale in my unit is generally high.	24.2 %

Source: Department of Employment and Benefit Services, Staff Survey Results

In a recent study published in the Advanced Management Journal, researchers found that employee attendance is a function of two issues: (1) the employee's motivation to attend, and (2) the employee's ability to attend. Further, the report says at least 50 percent of employee absenteeism is not caused by true illness or acceptable reasons.[1] For these reasons, DEBS should implement incentive programs in order to reward employees for showing up to work and to reduce the level of absenteeism among employees. For example, the San Francisco Police Department implemented a "Wellness Program", under which employees with accrued sick leave of at least 300 hours, who use 30 hours or less of sick leave in a given year, are entitled to cash out 50 hours of sick leave accrued during that fiscal year. The cost of this program could be partially offset by savings in the decreased use of sick days and overtime pay related to the backfilling of sick days.

Similar departments in comparable jurisdictions have initiated their own incentive programs to deter absenteeism. Most of these programs are aimed at providing employees with some alternative compensation for reducing their sick leave usage. For example, Alameda and Contra Costa Counties convert unused sick leave to retirement or Social Security credit, while Sacramento county issues "wellness certificates" that provide for eight hours off when less than 12 hours of sick leave are used in a designated six-month period, and San Bernardino County converts unused sick leave to vacation time for those who use minimal hours. Table 8.4 presents some of these programs.

[1] Study details can be found in the 1996 Winter edition of SAM Advanced Management Journal, "Managing Absenteeism for Greater Productivity" by Mona Buschak.

Table 8.4

Programs to Reduce Absenteeism and Increase Morale in Five Comparison Counties

County	Programs to Discourage Excessive Sick Leave	Ways to Increase Morale Among Employees
Alameda	Applies unused sick leave towards retirement credit.	Hosts multicultural events, created formal mentoring program, allows for office activities (pot luck lunches, staff appreciation, holiday events, etc.), hosts Employee Wellness Program, and provides training focused on Personal Development and Improvement.
Contra Costa	Converts unused sick leave to Social Security credit at retirement.	Encouraged employees to use suggestion box, and job shadowing by Executive Team.
Sacramento	Issues "wellness certificates" that provide for eight hours off when less than 12 hours sick leave are used in a designated six- month period.	Developed a communication plan that announces various employee recognition events.
San Bernardino	Converts sick leave to vacation time for those using zero to minimal hours. Also, staff employees with perfect attendance are rewarded with a free membership to a local health club facility.	Started employee incentive programs through Service First and Mystery Shopper, whereby individuals recognized for excellent customer service may redeem rewards for material gifts.
Ventura	Creates employee recognition awards to support and motivate employees.	Created employee assistance support, and provided special team building trainings.

Source: Management Audit Division, County Survey Results

Similar programs that provide rewards in the form of retirement credit, compensatory time off, and/or employee recognition could be developed by the Employee Services Agency (ESA). The cost of such programs would depend on the extent to which DEBS and other employees qualified and took advantage of them, and could be offset by reductions in sick and overtime pay. Total expenses for DEBS' employee overtime in FY 2007-08 were approximately $4.5 million.[2] Again, if current rates of sick leave were reduced by just 25 percent, the Department would realize an opportunity cost savings of approximately $742,133 annually. Converting unused sick leave to retirement credit also has the advantage of not creating an immediate cost, such as a vacation cash-out, for the County. Rather, this conversion would add to the County's long-term PERS liability. ESA should therefore report on the costs, benefits and requirements of providing all County employees with the added benefit of converting portions of unused sick leave to retirement credit.

[2] Approximate overtime costs of $4.5 million is based on current SAP payroll data. This estimate is further supported by DEBS' FY 2008-09 Recommended Budget which includes $4.8 million in overtime costs.

To address issues of low morale, DEBS should also develop programs that recognize employees for positive behavior, such as outstanding customer service, high performance, or innovative workload management, as are pursued in some form in both Sacramento and San Bernadino Counties. Employee recognition programs have been found to empower employees to increase the quality of their work and can improve morale.[3]

With the new policy and programs, DEBS should more closely monitor the use of sick leave by division and across the Department in order to determine changing patterns, such as increased or decreased usage compared to the County-wide average or adjacent to holidays and weekends. Supervisors should also be directed to note excessive sick leave usage as part of the performance evaluations recommended in Section 9.

CONCLUSION

Based on our analysis, DEBS employees exhibit traits of absenteeism and staff morale is reportedly low. On average, DEBS employees take over 91 hours of sick leave annually, or the equivalent of nearly 12 days, and leave is most often adjacent to a holiday or weekend. The cost to DEBS for the hours of employee sick leave taken in FY 2007-08 amounted to approximately $2,968,534. Reducing sick leave usage in DEBS by 25 percent, to a level comparable with the County-wide average, would increase the Department's productivity, an opportunity cost savings of approximately $742,133 annually.

RECOMMENDATIONS

The Social Services Agency should:

8.1 Establish a formal policy and procedure on the use of sick leave in accordance with leave provisions in the County's labor agreements, including the requirement that employees present a physician's statement describing the reason(s) for the use of sick leave with pay that extends beyond three consecutive working days. (Priority 1)

The Employee Services Agency should:

8.2 Report on the costs, benefits and requirements of providing all County employees with the added benefit of converting portions of unused sick leave to retirement credit. (Priority 1)

8.3 Develop programs that reward employees for reducing their use of sick leave. This could include providing rewards in the form of retirement credit, compensatory time off, and/or employee recognition. Approval and implementation of any proposed program would require approval of the Board of Supervisors. (Priority 1)

[3] Howard, Larry W. and Thomas S. Foster, "The influence of human resource practices on empowerment and employee perceptions of management commitment to quality," Journal of Quality Management (1999), Vol.4 (1).

The Department of Employment and Benefit Services should:

8.4 Develop programs that recognize employees for exhibiting positive behavior, such as outstanding customer service, high performance, or innovative workload management. (Priority 2)

8.5 More closely monitor the use of sick leave by division and across the Department in order to determine changing patterns, such as increased or decreased usage compared to the County-wide average or sick leave usage adjacent to holidays and weekends, and direct supervisors to note excessive sick leave usage as part of the performance evaluations recommended in Section 9. (Priority 2)

SAVINGS, BENEFITS AND COSTS

The costs to the Department in extensive sick leave are high. The Controller-Treasurer Department estimates that salary and mandatory fringe benefit costs for the 104,408 hours of sick leave taken by DEBS employees in FY 2007-08 total over $2.9 million. Reducing these lost work days by 25 percent would increase the Department's productivity, an opportunity cost savings of approximately $742,133 annually. Potential costs of implementing incentive and employee recognition programs would be offset by savings in the decreased use of sick days and overtime pay related to the backfilling of sick days.

Attachment 8.1

Santa Clara County Parks and Recreation Administration Policy & Procedures Manual

Business Services: Section 4
Category: Personnel Management Procedure: 472
Title: **SICK LEAVE** 04/23/97

It shall be the policy of the Parks and Recreation Department to follow County salary ordinance codes and the appropriate labor agreements regarding the accrual of employee sick leave. All coded employees will receive sick leave. Sick leave is accrued at 3.69 hours for every 80 hours worked (96 hours per year). When sick leave extends beyond three consecutive working days, employees are required by County policy to provide a physician's statement describing the reason(s) for the use of sick leave. Up to three days of sick leave may be granted to care for a sick or injured member of employee's immediate family, or in order that employee may obtain medical consultation to preserve his/her health (see #4_427, "Family Care and Medical Leave Policy").

Procedure:
1. If a Department employee wishes to use sick leave for a pre-scheduled medical or dental appointment they must give their immediate supervisor as much prior notice as possible.

2. If a Department employee is out for three or more days on sick leave, they are required to submit to their immediate supervisor upon their return to work, a physician's statement describing the reason for sick leave.

Source: Administrative Policies and Procedures Manual, Santa Clara County Parks and Recreation Department. The entire manual can be downloaded at:
http://www.sccgovatwork/staticfiles%2FParks%20and%20Recreation%2C%20Department%20of%20%28DEP%29%2FPP%20Manual%20PDF%204.6.07.

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Section 9. Staff Training and Performance Reviews

- **In FY 2007-08, approximately 47 percent of Department employees attended less training than the average County employee, and most of the training was limited to function-related topics, such as CalWIN and MEDS. The lack of training could be addressed through performance evaluations. However, such evaluations are not being conducted on an annual basis as allowed by the County Ordinance and labor agreements. The Department also lacks a formal written policy and procedure detailing how performance evaluations are to be conducted. Further, nearly 50 percent of surveyed employees indicated that they do not feel promotions are awarded fairly within the Department.**

- **Because staff are receiving limited training and are not being evaluated annually, the Department is failing to help staff develop new skills and improve their performance. Without routine and comprehensive performance reviews, employees also may not be aware of whether they qualify for upcoming promotional opportunities, which can result in feelings of resentment toward seemingly unfair promotion practices.**

- **Performance evaluations should be conducted annually (and in accordance with labor agreements) to improve the quality and consistency of staff performance and to ensure that the public receives quality service. Through this process, training needs can be better identified and opportunities for promotions can be discussed. Training should also be provided in the areas requested by staff, including professional development, stress management and diversity training.**

Training

The Department of Employment and Benefit Services (DEBS) offers training to all DEBS staff. Training is provided throughout the year and most courses address DEBS' function-related topics, such as the CalWORKs Information Network (CalWIN) and Medi-Cal Eligibility Determination System (MEDS) instruction. Training staff are housed at the Staff Training and Development facility on Montague Expressway, where training courses are also offered on occasion. The majority of training is offered on-site at DEBS facilities.

Training represents an investment in an organization's most important resource: its people, and is viewed as a benefit to employees as they expand their repertoire of marketable skills. According to DEBS Training Specialists, over 47,000 hours of training hours were offered and attended by employees in FY 2007-08. And while more than 90 percent of DEBS employees attended at least one hour of training in FY 2007-08, nearly half attended less than the average amount of training of all Santa Clara County employees in FY 2007-08, or 22.9 hours of training.

The average DEBS employee[1] attended 25.3 hours of training in FY 2007-08. This is slightly higher than the County-wide average, yet approximately 47 percent of Department employees attended less training than the average County employee. In addition, nearly 40 percent of DEBS employees received less than 15 hours of training in FY 2007-08, or less than the equivalent of two days of training in a full fiscal year.

Within DEBS, employees in the cost center for General Assistance Support Staff attended the least amount of training in FY 2007-08, followed by Vocational Services and Employment Services Support Staff, as shown in Table 9.1. In comparison, employees in the cost center for General Assistance Eligibility attended the most amount of training, exceeding the Department-wide average by 6.0 hours and County-wide average by 8.3 hours.

Table 9.1

Average Training Hours for DEBS Employees by Division in FY 2007-08*

Division	Average Training Hours per FTE	Below DEBS Average of 25.3 Hours	Below County Average of 22.9 Hours
GA Support Staff	10.0	-15.2	-12. 9
Vocational Services	13.0	-12.3	-9.9
Employment Services Support Staff	13.8	-11.5	-9.2
DEBS Administration	14.6	-10.7	-8.4
Benefit Support Staff	15.9	-9.4	-7.0
DEBS SSI Advocacy & CalWORKs	16.0	-9.3	-7.0
Employment Services Admin Support Staff	19.9	-5.4	-3.0
Eligibility Programs	26.0	0.8	3.1
Employment Services	31.0	5.7	8.1
GA Eligibility	31.3	6.0	8.3
Average	**25.3**	**-6.1**	**-3.8**

* Cost centers with Department trainees were removed from this analysis, since they attend training full- or part-time for several weeks at a time.

Source: Controller-Treasurer Department, PeopleSoft Payroll Data for FY 2007-08

In addition, as shown in Table 9.2, DEBS positions with the fewest hours of training per full-time equivalent (FTE) position in FY 2007-08 included those that are performing some of the Department's most critical functions, including employment counseling, determination of eligibility for benefit programs, and supervision. On average, employees within the Social Worker II classification attended the least training.

[1] Due to the tremendous hours of training required of Eligibility Worker I positions, the Department's trainees, during their first year of service, these positions and accompanying training hours have been removed so as not to unfairly distort the analysis.

Table 9.2

Positions in DEBS with Least Amount of Training in FY 2007-08*

Position	Average Training Hours per FTE	Below DEBS Average of 25.3 Hours	Below County Average of 22.9 Hours
Social Worker II	3.8	-21.5	-19.2
Admin of Benefit Services	5.1	-20.2	-17.9
Stock Clerk	6.4	-18.9	-16.6
Employment Counselor	9.0	-16.3	-14.0
Admin Support Officer II	9.0	-16.2	-13.9
Management Aide	9.2	-16.1	-13.8
Social Services Program Control Supervisor	9.3	-16.0	-13.7
Client Services Technician	11.9	-13.4	-11.0
Management Analyst	12.1	-13.2	-10.8
Administrative Assistant	12.4	-12.9	-10.5
Senior Office Specialist	12.9	-12.4	-10.0
Employment Program Manager	14.5	-10.8	-8.4
Office Specialist II	15.3	-10.0	-7.6
Social Services Program Manager I	18.0	-7.3	-4.9
Office Specialist II-U	18.6	-6.7	-4.3
Eligibility Worker III	19.1	-6.2	-3.8

* Positions with 1.0 FTE or less were removed from this analysis for identification purposes.

Source: Controller-Treasurer Department, PeopleSoft Payroll Data for FY 2007-08

Training and staff development are often viewed as intellectually and career-enhancing activities that ensure employees remain current with department technologies and missions. Without proper and sufficient training, employees are less equipped to perform their jobs and meet the goals of the Department. According to the responses from a Department-wide survey, a good portion of employees is dissatisfied with DEBS' current training program. Almost 30 percent of staff who responded to the survey do not feel they are receiving the necessary training to do their job. Survey respondents also indicated specific areas in which they would like to receive new or improved training. When compared to the actual training courses offered in FY 2007-08, as detailed in Table 9.3, there appears to be a disconnect with what employees want in training versus what they receive.

Table 9.3

Training: Areas Requested Compared to Areas Offered, FY 2007-08

Training Area	Percent Requested	Percent Offered
CalWIN/MEDS Systems (including problem solving, noncompliance training, case processing and workarounds)	43.6 %	90.4 %
Interoffice Relations (including respect, courtesy, cultural and diversity issues, and client sensitivity) and Professional Development	21.0 %	7.2 %
Training Specific Issues (including more quality training, more time to pursue training, more online training, better training materials, and more hands-on training)	12.9 %	n/a
Worker efficiency training (including stress management, task prioritization, work and team building)	12.9 %	0.0 %
Customer Service (including treating customers with respect, especially those with disabilities and substance abuse problems)	9.7 %	2.4 %

Source: Department of Employment and Benefit Services, Staff Survey Results and Training Course Information

Currently, more than 90 percent of the training courses offered by DEBS are "function based", such as courses in CalWIN, MEDS, and case processing. These types of courses are the most requested training area by DEBS employees. Yet a good portion of employee comments relayed a desire for training in customer service, worker efficiency and interoffice relations/professional development. This includes training on the fair treatment of customers with disabilities and abuse issues, and how to manage stress and prioritize tasks. However, training in these areas was offered at a much lower rate in FY 2007-08 than is currently desired by staff. As shown in Table 9.3, approximately 21.0 percent of staff have requested training on interoffice relations and professional development but only 7.2 percent of the training that has been offered has addressed this area, and little or no training has been offered in the areas of worker efficiency and customer service. Additionally, several staff indicated a preference for more online, self-guided training options, yet none are currently offered.

According to DEBS Training Specialists, trainings are offered based on DEBS supervisor, trainer, Information Services and CalWIN Division suggestions, as well as feedback from staff themselves. However, if training areas better matched the needs and desires of staff, employees would be better equipped to perform their jobs and be more satisfied with their position and the Department. We therefore recommend that the Department provide more training in the areas requested by staff, including interoffice relations/professional development, worker efficiency and customer service.

Training needs could be further addressed by offering more online training courses in areas such as CalWIN and/or MEDS, which are computer-based systems. According to DEBS Training Specialists, online courses have been provided in the past, and will be offered in 2009, but none are currently offered. Providing more online courses for DEBS employees would free up more time for Training Specialists to conduct courses in requested areas less conducive to online provisions, such as diversity and customer service training.

Finally, DEBS does not currently have an electronic system to track training information by unit or employee, nor is there any mechanism for analyzing historical trends of training provided. There is no simple way to calculate the average number of training hours received by DEBS employees, or the most well attended courses. Such analysis is performed ad hoc by individual Training Specialists as needed by manually tallying sign-up sheets. According to Training Specialists, early next year DEBS will be replacing their current, manual processes with a "Learning Management System" that will provide the ability to track training by employee, classification and division electronically. The Department should follow through with implementing this system since accurate and thorough record keeping of training provided to DEBS employees will allow it to better respond to their training needs and desires.

Performance Evaluations

The lack of training on the part of most DEBS employees could be addressed, at least in part, through routine performance evaluations. The Department's policies and procedures do not address performance evaluations. Instead, they refer to processes established by the County Ordinance and labor agreements. The agreements with each of the bargaining units that represent line staff, supervisors and middle managers within DEBS allow for annual performance reviews. The only category of employees for which performance evaluations are not negotiated is Administrative Confidential Employees (ACE).[2] Table 9.4, which was provided by DEBS administration, shows what each bargaining unit allows in regards to performance evaluations.

[2] A confidential employee is an employee who is privy to decisions of County management affecting employee relations. This includes both clerical and administrative employees.

Table 9.4

Allowances for Performance Evaluations of DEBS Employees by Individual Bargaining Unit

	County Employees Management Association (CEMA)	SEIU Local 715 (formerly 715)	SEIU Local 535 Supervisory Chapter	SEIU Local 535 Worker Chapter	Administrative Confidential Employees (ACE)
When can a performance evaluation be completed?	The Department (DEBS) can determine how the annual date will be set	Annually, based on the worker's salary anniversary date	Between May 1 and September 1, annually	Between January and March, annually	Not Negotiated
Who completes the evaluation first – employee or appraiser / supervisor?	Either person, as the process is designed to be as flexible as possible	Employee is first, completes separately from Appraiser, Appraiser completes separately and both drafts are combined into a finalized Appraisal form	Employee is first, completes separately from Appraiser, Appraiser completes separately and both drafts are combined into a finalized Appraisal form	Not defined in MOU but would follow both 521 and 535 Chapter rules	Not Negotiated
Can it be used for disciplinary purposes?	No	No	No	No	Not Negotiated
Can it be used for promotions and / or transfers?	It can be used for promotions, transfers, and pay increases (broad Range classification only)	No	No	No	Not Negotiated
Can evaluations have affect on salary?	Yes, only if the employee is in a "broad range" classification	No	No	No	Not Negotiated
Who can review the evaluation?	The employee, manager, and supervisor	The employee, director, manager, and supervisor	The employee, director, manager, and supervisor	The employee, director, manager, and supervisor	Not Negotiated

Source: Department of Employment and Benefit Services, Administrative Staff

While performance evaluations can be conducted for nearly all DEBS employees based on the labor agreements, DEBS neither requires nor encourages formal performance evaluations for staff. According to most DEBS employees and managers we interviewed, formal performance reviews rarely occur, if ever. A few staff indicated reviews occur on an informal basis, as requested by the employee.

Performance evaluations are a well-tested method of communicating and reinforcing an organization's goals and values, such as efficiency and responsiveness to customers. Routine performance reviews can provide a substantive, overall assessment of employees' performance and ensure the manager and employees are on the same page. Further, they provide a venue for suggestions of growth and improvement, helping fair performers become good and good performers become great, and provide an opportunity to delegate more responsibility to the employee; to find out how the employee is doing internally; and in the case of poor performers, to send clear messages about needed improvements and to supplement documentation in the event termination becomes necessary.

Employee performance evaluations can foster improvement in worker morale and employee performance. With detailed employee evaluations, areas for individual employee improvement can be identified and goals for improvement in those areas can be set. An effective performance evaluation system should not be constructed or used as a punitive measure, but rather as a proactive system for management to communicate its expectations to employees, to assist employees with improving their performance, and to foster professional development by communicating training opportunities, all of which would facilitate broader participation in trainings.

Without sufficient feedback in the form of regular performance evaluations, employees and their supervisors may not enjoy clear and consistent communication regarding Department and division goals, or about professional development issues specific to the employee. According to the survey that we conducted with DEBS employees, nearly 40 percent of respondents indicated that the quality of communication between managers and staff is not good. Further, more than 30 percent of respondents do not feel they are recognized for their performance. In many of our interviews, DEBS managers and supervisors indicated that they are not conducting formal performance evaluations (although they are allowed to under the labor agreements) and that performance evaluations would be beneficial to their units.

While supervisors may voluntarily provide feedback to their staff, the lack of a formal process for evaluating employee performance can encourage the status quo or even a decline in performance, as it deemphasizes the importance of individual staff performance. The absence of routine performance reviews also makes it difficult to determine whether or not the Department is efficiently and effectively accomplishing its goals and objectives. Based on the timelines and other requirements set forth in agreements between the County and bargaining units, DEBS should formally evaluate employee performance on an annual basis. These evaluations should help establish better communication between managers and staff, allow managers and supervisors to know what the weaknesses are among their staff and how to address them, and provide staff with information on training and development opportunities.

Recommendations for performance reviews are not new to the Social Services Agency (SSA). In our 2001 Management Audit of the Department of Family and Children's Services (DFCS), we found that performance evaluations were not occurring and recommended that they be implemented specifically for Social Workers.[3] DFCS concurred with our recommendations, and they were subsequently approved by the Board of Supervisors. Since DFCS and DEBS are both in SSA, employees within the same classification, such as Social Workers, should be treated consistently. Yet, according to a recent survey of DEBS Social Workers, formal performance evaluations are generally not occurring on any routine basis. Only three of the surveyed Social Workers reported ever having a formal review (and each was in the last year). Instead, most (nearly 60 percent) reported having informal reviews on an ad hoc basis to review caseloads, and nearly 20 percent have not received any sort of review in the last fiscal year, whether informal or formal.

Further, in a survey of nine of the most populous counties, all other counties that responded to the survey conduct annual or routine performance evaluations with staff. The frequency of performance evaluations conducted by the other jurisdictions and Santa Clara County is summarized in Table 9.5.

Table 9.5

Frequency of Formal Performance Evaluations
for Nine of the Most Populous Counties

County	Eligibility Worker	Empl Svcs Worker	Social Worker	Clerical	Supervisor	Manager
Alameda*	Annual	Annual	Annual	Annual	Routine	Routine
Contra Costa	Annual	Annual	Annual	Annual	Annual	Annual
Fresno	Annual	Annual	Annual	Annual	Annual	Annual
Orange	Annual	Annual	Annual	Annual	Annual	Annual
Sacramento**	Other	Other	Other	Other	Other	Other
San Bernardino	Annual	Annual	Annual	Annual	Annual	Annual
San Francisco	Annual	Annual	Annual	Annual	Annual	Annual
Santa Clara	Never	Never	Never	Never	Never	Never
Ventura***	Annual	Annual	Annual	Annual	Annual	Annual

* Alameda County conducts performance evaluations every 18 months for supervisors and managers.
** Sacramento County notes that they are implementing a new automated performance appraisal system in FY 2008-09.
*** Ventura County notes that performance reviews are performed annually unless an employee is on probation, in which case a six-month review is performed.

Source: Management Audit Division, County Survey Results

The observations and survey responses described above provide further evidence that DEBS should conduct annual performance evaluations in accordance with the requirements of labor agreements, as detailed in Table 9.4.

[3] See Recommendations 4.4 and 4.7 of 2001 Management Audit of the DFCS.

Promotions

Both in interviews and in the DEBS survey, staff indicated that there were few opportunities to promote, and when promotional opportunities became available, the criteria for promoting was not communicated clearly. Several staff also indicated that they believed promotions were awarded unfairly within the Department, and that favoritism existed. Table 9.6 summarizes the survey responses to the question on promotional opportunities. As shown, nearly 50 percent of employees feel promotions are not awarded fairly. Further, approximately 30 percent of employees do not feel that the Department provides enough promotional opportunities, that they have a clear path for advancing their career within the Department, or that they are encouraged to take steps to develop their career.

Table 9.6

Employee Responses Regarding Promotional Opportunities

Survey Question	Percent Disagree
The Department provides adequate promotional opportunities.	29.6 %
Promotions in the Department are awarded fairly.	48.4 %
Promotion criteria are clearly communicated to all staff.	37.4 %
I have a clear path for career advancement within the Department.	33.5 %
I am encouraged to take steps to develop my career.	29.9 %

Source: Department of Employment and Benefit Services, Staff Survey Results

As per these comments, we researched all promotions provided to DEBS staff in FY 2007-08. Our audit of this function found that all promotions awarded in the sample year appeared to be awarded fairly, given the testing scores and ranks provided by a blind panel selected by the Employee Services Agency. However, if these seemingly fair practices are not communicated to DEBS employees, or if promotional opportunities and criteria are not communicated to staff at all, resentment can and will occur. Promotional opportunities and criteria for advancement should therefore be communicated to staff during annual performance evaluations.

CONCLUSION

Nearly half of the Department staff attended less training than the average County employee attended, and the trainings offered to DEBS employees do not adequately match the desired areas of training. This lack of training could be addressed through performance evaluations. Yet performance evaluations are not being conducted on an

annual or routine basis, and thus over 30 percent of staff do not feel they are recognized for their performance.

Due to the lack of routine performance evaluations, the Department is failing to help staff develop new skills and improve their performance. Without adequate performance reviews, employees may not be informed about promotional opportunities, which can result in misinformation and feelings of resentment regarding seemingly unfair promotion practices. Performance evaluations should be conducted annually to improve the quality and consistency of staff performance and to ensure that the public receives quality service. Through this process, training needs can be identified and opportunities for promotions can be discussed and addressed.

RECOMMENDATIONS

The Department of Employment and Benefit Services should:

9.1 Provide more training and online training in the areas requested by staff, including interoffice relations/professional development, worker efficiency and customer service. (Priority 3)

9.2 Follow through with implementing the Learning Management System to allow for the accurate and thorough record keeping of training provided to employees. (Priority 3)

9.3 Conduct performance evaluations on an annual basis in accordance with the requirements of labor agreements, and include a discussion of training and development, as well as promotional opportunities, during all evaluations conducted. (Priority 3)

SAVINGS, BENEFITS AND COSTS

The costs of recommendations 9.1 and 9.2 would be sustained in the form of staff time to develop and extend training to better match employee needs. There would be no new direct costs for implementing recommendation 9.3, though it would require staff time to establish a formal performance review process. The costs of such are minimal, and the benefits of an employee evaluation system would provide consistency across the Department and provide employees with better feedback on their performance.

County of Santa Clara
Social Services Agency

333 West Julian Street
San Jose, California 95110-2335

February 25, 2009

TO: Roger Mailocq, Project Manager
Harvey Rose Accountancy Corporation

FROM: Will Lightbourne, Director
Social Services Agency

SUBJECT: AGENCY RESPONSE TO MANAGEMENT AUDIT: DEPARTMENT OF EMPLOYMENT AND BENEFIT SERVICES

Attached is the Social Services Agency response to the Harvey Rose Accountancy Corporation's "Management Audit of the Department of Employment and Benefit Services." It is the intent of the Social Services Agency that the detailed response will assist the Board of Supervisors in evaluating the conclusions in the management audit.

Several audit recommendations and findings were specifically addressed to County departments outside the Agency. Comments and responses from the Employee Services Agency, Santa Clara Valley Health and Hospital System and Office of Budget and Analysis were obtained separately from the auditors and are not included in our response.

I am prepared to discuss this management audit with the Board of Supervisors' Finance and Government Operations Committee.

AUDIT RECOMMENDATIONS AND DEPARTMENT RESPONSES

Section 1. SSI Advocacy Program – Increased Medi-Cal Reimbursement of Health and Hospital System Costs

1.1 The Social Services Agency should transmit its monthly report of SSI approvals directly to each of the following Health and Hospital System billing units (in addition to the PBS Hospital/Clinic Billing Unit), including (1) PBS-Professional Services Billing, (2) Ambulatory Pharmacy Services Billing, (3) PBS-Mental Health Services Billing, (4) Mental Health Department Administration, (5) Public Health Department Lenzen Pharmacy Billing, and (6) HHS-Fiscal Services.

Response: Agree.

As noted in the report, the Social Services Agency has already implemented this recommendation.

1.2 The Health and Hospital System should temporarily prepare and adopt a comprehensive, detailed written procedure to govern the processing of the monthly report of SSI approvals by all billing units in the Health and Hospital System.

Response: Defer to Health and Hospital System.

1.3 The Health and Hospital System should conduct procedures training of all HHS staff who are responsible to research HHS patient records for all General Assistance clients on the monthly list of SSI approvals, and to prepare and process retroactive Medi-Cal bills.

Response: Defer to Health and Hospital System.

1.4 The Health and Hospital System should create a new PBS-Retroactive Medi-Cal Unit staffed with a Senior or Supervising Patient Business Services Clerk responsible to oversee the monthly processing of SSI approval lists received from the Social Services Agency, and to prepare monthly activity and collections reports. The HHS should submit an amendment to the Annual Salary Ordinance adding this position and deleting one or more of the 16 vacant positions in the Patient Business Services Division in order to make the creation and staffing of the new unit cost neutral.

Response: Defer to Health and Hospital System.

Section 2. SSI Advocacy Program – Referrals and Operations

2.1 Thoroughly train all eligibility workers to recognize and refer cases of potential disability, set targets for increased referral rates, and monitor referrals from the existing list of "unemployables" in order to ensure the timely referral of all disabled General Assistance clients. The SSI Advocacy Unit supervisor should also review the list of unemployable

General Assistance recipients every six months to ensure that no potentially disabled clients have been overlooked by eligibility worker screening.

Response: Agree

DEBS will continue to train eligibility workers to recognize and refer cases of potential disability as well as monitor referrals from the "unemployables" list. Eligibility workers will continue to process the reimbursement agreements at the time the client applies for General Assistance. thus ensuring IAR recoupment if and when SSI is approved. In addition, Vocational Services will continue to refer to the SSI Advocacy Unit cases that they believe would be eligible for SSI.

2.2 Continually monitor the number of SSI approvals resulting from the work of the SSI Advocacy Unit, calculate the average County-wide cost/benefit of the workers assigned to the Unit, and progressively add social workers codes to the SSA Advocacy Unit as long as it operates on a County-wide cost recovery basis. It is further recommended that the SSI Advocacy Unit maintain a log of case approvals as described in this section.

Response: Partially Agree

DEBS will continue to carefully monitor the work of the unit and its annual budget to ensure that staffing is appropriate to the needs of the population.

2.3 Improve the SSI Advocacy Unit management information systems by developing a comprehensive set of periodic (monthly/daily) reports so that the Unit Supervisor received and monitors information on caseload of each worker. backlogged cases. cases completed per worker and in total. length of time to complete cases, amount of General Assistance recovered, amount of Medi-Cal reimbursement received by HHS, and other data as appropriate.

Response: Agree

DEBS agrees that effective management reports, and the supervisor's review of these reports. are critical to the efficient operation of the unit. The information for some of the measures (i.e. financials/approvals) occurs on a monthly basis and information for others (i.e. HHS Medi-Cal reimbursements) is not produced by SSA. A number of current reports, including DEBS dashboard, provide much of the information requested. These reports will be shared with the Unit supervisor and social workers.

Section 3. Generic Intake Caseload Standard

3.1 Meet and confer with the Eligibility Workers' bargaining unit to establish a new caseload range for Generic Intake Workers. A range should be utilized in order to allow for the varying degrees of efficiency, experience and motivation among workers and to recognize that case difficulty and therefore processing time varies by applicant. Based on reported

average workload in the most populous counties, the range should be about 44 to 48 applications per worker per months.

Response: Agree

3.2 Based on implementation of Recommendation 3.1, the practice of habitual overtime for Generic Intake Workers should be eliminated since the need for overtime would be substantially reduced as a result of workers processing an average of 44 or more applications monthly.

Response: Conditionally Agree (Subject to contract revision in 3.1)

3.3 Eliminate 15 Eligibility Worker-III (Generic Intake) positions by eliminating some or all of the 14 Agency-wide Eligibility Worker-III vacancies. Remaining eliminations may be achieved through attrition.

Response: Disagree

As a result of the 2008-2011 recession, it is expected that intakes will continue to dramatically increase. Applications for assistance have increased 20-30 percent over 2007.

3.4 Cease the practice of giving workers full "case credit" for clients who do not show up for scheduled appointments. While credit should only be given for actual cases worked, the Department should grant a fractional credit for the effort required to cancel an application.

Response: Agree

3.5 Require the AAC, North County and South County to "overbook" intake appointments since there is an overall 14.8 percent "No-show" rate. The Department should develop a system to route clients to the next available Generic Intake Worker when a scheduled client does not arrive.

Response: Conditionally Agree (Subject to contract revision in 3.4)

Section 4. Telephone-Based Food Stamp Assistance

4.1 Establish a steering committee to develop a plan, with a timeline in addition to staffing and facility requirements, to transition from the traditional approach of handling continuing Non-Assistance Food Stamp cases at district and other offices to the call center approach.

Response: Agree

Planning for an expanded call center function is underway that the Board of Supervisors has already approved a development contract for this purpose. The Department is also implementing a waiver of face-to- face interviews for food stamp recertification in April 2009.

4.2 Analyze the caseload standards of continuing Eligibility Workers who remain at district and other offices and no longer handle Non-Assistance Food Stamp cases, and adjust the standards through labor negotiations to reflect the change in workload.

Response: Agree

Section 5 – Triage of General Assistance Applications

5.1 Create more detailed procedures for the triage evaluation of Food Stamp applications, including what forms applicants must fill out, how the Triage Eligibility Worker should evaluate the information provided, and what supplemental questions the worker should ask to determine which applicants are eligible for expedited services.

Response: Agree

The GA Bureau is currently working with the CalWIN Division to develop a more efficient business model, including creating more detailed procedures for triage evaluations including the redesign of the Triage Screening Sheet.

5.2 Redesign the existing Triage Screening Sheet to provide coded boxes that can be used to indicate reasons whey an applicant was rejected for expedited services.

Response: Agree

Section 6 – Public Assistance Fraud Referrals

6.1 Provide staff with comprehensive, ongoing public assistance fraud training focused on the importance of recognizing and reporting instances of potential fraud, and including periodic reporting of the results of prior investigations and prosecution.

Response: Agree

The District Attorney's investigators are outstationed at AAC and provide staff training either formally at staff meetings or informally in individual meetings with staff. They are available to go to other district offices to provide training upon request. This will continue and is considered a priority by both the District Attorney's and DEBS managers. The CalWIN Division will update the Fraud sections of the Handbook to provide guidance to staff on identifying potential fraud as needed. The Common-Place Handbook describes the joint process by which fraud referrals are acknowledged and responded to. Upon receipt of the FRED referral, the investigator notifies the Eligibility Worker that the referral has been assigned. must inform the EW verbally and in writing of the status of the ongoing investigation within 15 working days and, upon completion of the investigation, return the investigation report and the completed "EW Action Report" to the EW via e-mail. We will work with the District Attorney's Office to strengthen this process.

6.2 Develop and implement improved training and public assistance fraud identification and reporting policies and procedures.

Response: Agree

It should be noted that Santa Clara County's staffing and funding for fraud prevention and identification is comparable or higher to similar counties. The chart below describes the funding and staffing for District Attorney welfare fraud, IEVS welfare fraud, collections and accounts receivable in Santa Clara, San Francisco and Contra Costa counties. As will be evident, this county's investment is the largest even after adjusting for caseload.

Expenditure	Santa Clara		San Francisco		Contra Costa	
	$	FTE	$	FTE	$	FTE
District Attorney Welfare Fraud	5,335,142	21.99	--	--	485,000	2.00
IEVS/Welfare Fraud Staff	2,641,094	12.00	394,212	4.00	915,708	4.23
Collections	1,824,213	19.00	1,250,486	15.00	502,000	5.00
Accounts Receivable	755,755	8.00	838,552	9.00	--	--
Early Fraud Investigation Staff	--	--	905,050	9.00	1,571,856	7.06
Total	**$10,556,204**	**60.99**	**$3,388,300**	**37.00**	**$3,474,564**	**18.29**
CalWORKs Caseload	14,325		4,498		9,631	

Notes:
-For Santa Clara County the District Attorney contract FTEs reflect filled FTEs; there are some vacant codes.
-Santa Clara's Collections and A/R numbers represent the entire unit costs.
-Santa Clara's Early Fraud Investigation line item is included in the contract with the DA.
-San Francisco does not contract with the District Attorney for investigations, only for prosecutions.
-Contra Costa did not submit Accounts Receivable information.
-CalWORKs Caseload Data Source: CA 237. Average Caseload, July 2008 – November 2008

Prevention of public assistance fraud is an important function of all social services agencies. Timely and accurate benefit issuance is a priority to the Department of Employment and Benefit Services. Santa Clara County's percentage of approval of new CalWORKs applications has been consistently lower than the statewide average, and early fraud referrals have also been lower. This would suggest that the emphasis on reconciling application data before case approval is having the desired effect of filtering out inaccurate applications rather than simply approving them without scrutiny and then having to refer for possibly criminal investigation.

While the audit report presents the San Diego County approach as a possible model for emulation, the consequences that such an aggressive strategy may have in discouraging completely eligible people from seeking aid need to be considered. "San Diego consistently ranks last among major metropolitan areas for its participation in the federal food stamps program, according to an annual study compiled by the Food Research and Action Network. In the most recent report, San Diego's participation rate among people whose incomes make them eligible for the benefit was 29 percent. The next lowest rate was Denver, with a rate of

42 percent. Los Angeles's participation rate was 50 percent. The county had about 83,000 individuals enrolled in its food stamps program in 2006. Another 202,000 were eligible and not enrolled. The county lost out on $100.96 million in federal dollars that would have been spent in local grocery stores that year, the report calculated. Critics of the county's administration of the program have said the county's concerns about avoiding welfare fraud outweigh its efforts to enroll eligible people in the program." (Citation: "What's the Deal with Food Stamps?" Voice of San Diego, January 14, 2009.)

Regarding procedures, the Common-Place Handbook specifies criteria that help the Eligibility Worker determine if a FRED/general fraud referral is appropriate. The Handbook is clear that the list is not all-inclusive, and that the Eligibility Worker's Supervisor and the DA Investigator/Lead should be consulted if there is any doubt about whether or not to refer.

Quarterly meetings between DEBS Administration and the District Attorney's Office will continue to explore policies and methods of collaboration, as well as the open and on-going work between the Agency's Liaison, Directors, District Office Managers and other staff.

6.3 Review and adjust Investigator staffing on an annual basis in accordance with changes in the volume of public assistance fraud referrals and the related savings realized.

Response: Agree

The Social Services Agency agrees to review and adjust investigator staffing on an annual basis in concert with its annual budget cycle. Like everything else in the Department, fraud activities are subject to the availability of funding.

Section 7. Department Span of Control

Over the last year DEBS comprised CalWIN Support Initiative (CSI): Eligibility Work Supervisor Workgroups and the CSI: Office Management Coordinator (OMC) Workgroup to brainstorm operational efficiencies by empowering supervisors to look at existing business practices and make recommendations on ways to assess, develop and support line staff. A primary goal of the CSI: EW Supervisor Workgroups is to re-engineer the EW Supervisor responsibilities and primary tasks to reflect the demands of working with eligibility staff in an e-case management environment. A major CSI: OMC Workgroup initiative has been the standardization of clerical policies and procedures with the goal of solving the biggest, most important clerical support challenges in DEBS. These initiatives bolster the Department's efforts, as stated in its guiding principles, to achieve a shared vision at all levels of the department by allowing staff input and ownership over operational outcomes, and creating opportunities for staff at all levels to get new processes, services and systems adopted. All of which will be contributing factors to improved employee morale.

7.1 Increase its span of control by eliminating at least eight full-time supervisor positions, thereby achieving a ratio of approximately 8.3 staff per supervisor. In eliminating supervisor positions, the Department should target units with a span of control of 6.0 or fewer staff per supervisor. For units that handle benefits, the reduction should aim to maintain a span of

control of no more than 8.0 staff per supervisor in intake units and at least 8.0 staff per supervisor in continuing units.

Response: Agree With Specific Exceptions

The recommendation to aim at a target 8.3 is considered reasonable, but there are units where the ratio is less than 1:8.3 due to the small size of the office staff or where other unique circumstances exist. For example, the role of the Employment Program Manager within ESI is very unique. This individual serves as the Refugee Coordinator for Santa Clara County and has a statewide reputation based on her expertise in this field. In this capacity she provides a Project Manager role for Refugee programs: writing/amending the State plan, working with several complicated budgets, working closely with community partners and contractors, building awareness of new immigration issues/concerns and acting as County representative in State/Federal meetings in addition to supervising a small staff.

7.2 Re-examine and adjust the span of control to maintain a ratio of approximately 8.3 staff per supervisor with the elimination of the 15 full-time Eligibility Workers recommended in Section 3, or any other staff positions in the current or a future fiscal year.

Response: The recommendation in 3.3 was rejected.

7.3 Develop reports in Business Objects that provide summary information on useful indicators of eligibility staff performance and productivity, including but not limited to the following:

A. Intake workers – number of applications assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, and average number of days assigned to an application; and,
B. Continuing workers – number of cases assigned, number of appointments scheduled, percent of appointments held, average length of time for appointments held, percent of re-determinations overdue, percent of periodic reports not processed, and number of cases discontinued.

Response: Agree

DEBS has already instituted various dashboard indicators that are categorized by different programs and functions such as Intake and Continuing. These indicators will be tracked and reported on periodic basis to help monitor and access staff productivity and performance. This initiative is almost complete with the exception of some final tweaking and fine tuning that is expected to complete by end of February 2009. This tool is flexible to accommodate tracking and monitoring of any new additional indicators in the future as deemed appropriate.

Another initiative that has been undertaken at the Agency level is development of a Data Warehouse to meet the reporting needs that spans across various data sources and departments including DEBS. This is a fairly new initiative that started late December.

In conjunction with the above mentioned initiatives, there has been constant fine tuning of existing reports and creation of new simplified reports in Business Objects/CIS that are primarily used by line staff and supervisors. In addition, DEBS has asked the CalWIN Division to look at CalWIN e-case management tools developed in other counties for adoption in DEBS. One of those currently being looked at is the Fresno County CalWORKs Welfare to Work caseload management tool.

The Department is also developing a Task Management Tool for the Medi-Cal Service Center, which will be implemented in April of this year. In addition to streamlining the work that is done at MCSC, the Task Management Tool will allow supervisors and managers to have real time reports on useful indicators of eligibility staff performance and productivity at their fingertips.

7.4 Determine whether any of the new indicators should become a dashboard measure as part of the Department's performance based budgeting.

Response: Agree

As stated in the previous response, the dashboard tool is flexible to accommodate tracking and monitoring of any new additional indicators in the future as deemed appropriate. The DEBS dashboard measures are reviewed at the monthly DEBS/DIS meeting

7.5 The Social Services Agency should review the span of control in every other department in the Agency and require departments with a span of control of less than 8.0 staff per supervisor to reduce the number of supervisors.

Response: Agree

The Agency will review on a program-by-program basis to determine whether supervisor spans are appropriate.

7.6 The Office of Budget and Analysis should calculate the span of control for individual departments in the Social Services Agency as part of its annual span of control analysis.

Response: Defer to Office of Budget and Analysis

Section 8 – Sick Leave Usage and Morale

8.1 The Social Services Agency should establish a formal policy and procedure on the use of sick leave in accordance with leave provisions in the County's labor agreement. including the requirement that employees present a physician's statement describing the reason(s) for the use of sick leave with pay that extends beyond three consecutive working days.

Response: Agree

8.2 The Employee Services Agency should report on the costs, benefits and requirements of providing all County employees with the added benefit of converting portions of unused sick leave to retirement credit.

Response: Defer to Employee Services Agency.

8.3 The Employee Services Agency should develop programs that reward employees for reducing their use of sick leave. This could include providing rewards in the form of retirement credit, compensatory time off, and/or employee recognition. Approval and implementation of any proposed program would require approval of the Board of Supervisors.

Response: Defer to Employee Services Agency.

8.4 DEBS should develop programs that recognize employees for exhibiting positive behavior, such as outstanding customer service, high performance, or innovative workload management.

Response: Agree

DEBS will continue to look at effective ways of expanding its employee recognition efforts.

8.5 The Department of Employment and Benefit Services should more closely monitor the use of sick leave by division and across the Department in order to determine changing patterns, such as increased or decreased usage compared to the County-wide average or sick leave usage adjacent to holidays and weekends, and direct supervisors to note excessive sick leave usage as part of the performance evaluations recommended in Section 9.

Response: Agree

The distribution of information about sick leave usage and balances is highly confidential and subject to very limited Department distribution by Human Resources. The Department follows the county's policies regarding sick leave approval, FMLA, ADA, and discipline for leave abuse. It also collects doctor's notes as defined by the individual union memorandums of agreements. If the benefit of sick leave is used within the county's guidelines, the Department is following protocol as directed. The Department has terminated staff for excessive sick leave abuse. Supervisor training on the usage of sick leave is provided by the Social Services Agency's Human Resources Department.

Section 9. Staff Training and Performance Reviews

9.1 Provide more training and online training in the areas requested by staff, including interoffice relations/professional development, worker efficiency and customer service.

Response: Conditionally Agree

We agree with the concepts in the recommendation with the caveat that DEBS must prudently weigh release time to productive work time. Two training sessions were offered in January. focused on customer service and e-case management. We also have provided a "performance management" series to DEBS supervisors and managers. This is an eight week soft skills course that targets areas such as interoffice relations/professional development, worker efficiency and customer service.

9.2 Follow through with implementing the Learning Management System to allow for the accurate and thorough record keeping of training provided to employees.

Response: Agree

The Social Services Agency will implement a pilot phase of the Learning Management System in April/May 2009, with general availability anticipated in July 2009. It is our plan to include e-learning in the Learning Management System during the next phase of implementation.

9.3 Conduct performance evaluations on an annual basis in accordance with the requirements of labor agreements. and include a discussion of training and development, as well as promotional opportunities, during all evaluations conducted.

Response: Agree

The Agency is in dialogue with Local 521 to determine whether existing 715 evaluation tools may be utilized in evaluating Local 535 legacy employees, or whether a new instrument is required. As soon as this is determined. an evaluation schedule for staff will be implemented.

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Dedicated to the health of the whole community

SANTA CLARA VALLEY HEALTH & HOSPITAL SYSTEM

Finance Administration
2325 Enborg Lane, Suite 360
San Jose, CA 95128

Date: February 13, 2009

To: Roger Mialocq, BOS Management Audit Division

From: Nancy Kaatz, SCVHHS CFO Nkaatz

Re: Response to Harvey Rose Audit of SSI Advocacy Program – Medi-Cal Reimbursement

Our response is in italics below.

Recommendation:

The Health and Hospital System should:

1.2 Transmit its monthly report of SSI approvals directly to each of the following Health and Hospital System billing units (in addition to the PBS Hospital/Clinic Billing Unit), including (1) PBS – Professional Services Billing, (2) Ambulatory Pharmacy Services Billing, (3) PBS – Mental Health Services Billing, (4) Mental Health Department Administration, (5) Public Health Department Lenzen Pharmacy Billing, and (6) HHS – Fiscal Services. (Priority 1)

Partially agree. See comprehensive response below

1.3 Conduct procedures training of all HHS staff who are responsible to research HHS patient records for all General Assistance clients on the monthly list of SSI approvals, and to prepare and process retroactive Medi-Cal bills. (Priority 1)

Partially completed. See comprehensive response below.

1.4 Create a new PBS-Retroactive Medi-Cal Unit staffed with a Senior or Supervising Patient Business Services Clerk responsible to oversee the monthly processing of monthly activity and collections reports. The HHS should submit an amendment to the Annual Salary Ordinance adding this position and deleting one or more of the 16 vacant positions in the Patient Business Services Division in order to make the creation and staffing of the new unit cost neutral. (Priority 1)

Disagree. See comprehensive response below.

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Comprehensive Response to items 1.2, 1.3 and 1.4:

Santa Clara Valley Health & Hospital System (SCVHHS) agrees that there needs to be better coordination and communication around the Retroactive SSI MediCal billing issue.

SCVHHS's Patient Business Services (PBS) has undertaken a transformation as part of the VMC T2010 effort. Several of the changes have already been implemented or pending implementation that help with this issue, including:

- *Assigning a dedicated PBS manager to the Mental Health / Drug and Alcohol unit and providing intensive training to this manager in using the Unicare billing system (Implemented 2008).*

- *Professional billing through the Signature system will be incorporated into the current payor based units throughout PBS. For example, the Inpatient/Outpatient Hospital Medi-Cal PBS unit will be responsible for Medi-Cal Professional Charges billed through Signature. (Pending Implementation Second Quarter 2009)*

- *A dedicated Financial Clearance Center has been established for VMC to check Medi-Cal and other program eligibility of all patients for all scheduled visits 5 days prior to the visit. This eligibility check process should catch any unsponsored patients preregistered for a medical appointment and check if they are enrolled in a program in advance of the appointment. This addresses cases that would not caught through the retro review process. (Partially implemented fourth Quarter 2008 –at limited service sites, to be expanded.)*

In addition to the changes above, PBS is committed to the following:

- *Assigning a PBS manager oversight responsibility and PBS staff person (PBS clerk or Sr. PBS clerk) responsibility for coordinating distribution of the SSI lists, tracking completion of necessary research, billing, and reporting, and compiling necessary data for annual reporting.*

- *Adding a new insurance plan to uniquely identify accounts that were re-billed for Retro SSI Medi-Cal to be used to track and report billing and payment on accounts through the Invision, Signature and Unicare systems.*

- *Meeting with VHP and Pharmacy Staff to determine how they can track and report billing and collections through the Diamond and PCSI systems, and developing monthly reporting requirements. If identifiers cannot be built into the Diamond and PCSI reporting systems, tracking will be added to the monthly Retro SSI log.*

- *Revising the Policy and Procedure for handling of Retroactive SSI Medi-Cal as well as accounts assigned to Medi-Cal assistance vendors (e.g., MedAssist) to*

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include identification of all required departments, units and staff involved, and the new processes to log completion of research, Letter Of Authorization (LOA), request, LOA receipt, insurance plan assignment, billing date, and payment amount.

There is no need for the addition or deletion of positions to make this change.

A few notes regarding the calculations of the reimbursement amounts:

1) *SCVMC pharmacy revenues may be understated as VMC Outpatient Prescription pharmacy services were carved out of the Federally Qualified Health Center rate effective 7/1/06.*
2) *SCVMC receives half of its cost for Inpatient Hospital services. The per diem payment is a proxy for half of its cost. Overall reimbursement is less than the percentage used in the calculation. In addition, through the Medi-Cal Waiver, VMC also receives half its cost for Inpatient and Outpatient unsponsored services.*

In addition, the estimated reimbursement for Outpatient Mental Health seems high.

Regardless of the dollar amounts estimated, PBS agrees that the process for dealing with retroactive SSI Medi-Cal needs to change, and is committed to making that change.

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