



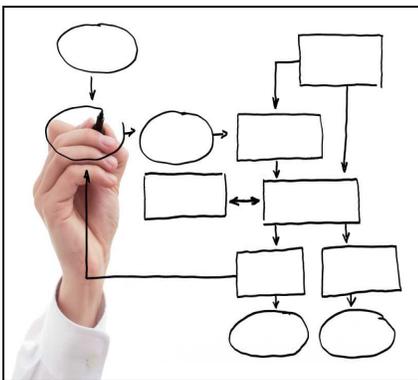
Through the Transformation Initiative
 we are fundamentally changing
 the way we do business.
 We're cutting red tape,
 reducing wait times for clients,
 improving our service to customers
 and saving money.
 And we've only just started.

Why we're transforming

We know our work is too important not to be the best. Among those counting on our services are children, the elderly, people with disabilities and those who are economically distressed. We serve more than 1 million Oregonians annually, and the demand for our services has reached record-breaking levels and continues to grow. At the same time, our resources to meet the demand are shrinking. Counties, providers and other business partners who work with us to deliver health and human services to Oregonians want us to streamline processes. The public rightly demands assurance that we use every tax dollar wisely.

What we're doing

Using project management principles and Lean process improvement methodologies successfully used by the best corporations in the world, we are becoming more efficient and effective every day.



[trans'-fər-mā'-shən] *noun*.
 A marked change, in appearance
 or character, for the better.

Since 2008, we have launched approximately 100 improvement initiatives. Some of these initiatives are complete; others are nearing their goals. By January 2011, our improvement efforts produced \$106.5 million in benefits, and marked improvements in customer service and quality.

- » **Helping families in need** by providing same-day service for food stamp applicants who were waiting two weeks or more for applications to be processed.
- » **Improving the quality of life for seniors** by moving more than 1,200 people unnecessarily placed in nursing facilities for long-term care to more appropriate settings, enabling more seniors to live in their own homes.
- » **Enhancing the health and well-being of patients** at Oregon State Hospital by reducing the time it takes to hire nurses from 80 to 24 days and reducing patient wait times for nutritional consultations from 150 to 20 days.
- » **Improving use of public resources** by eliminating red tape and redundancies in everything from purchasing to contracts administration to authorizations for repairs in community housing for people with developmental disabilities.

Today, transformation is happening at every level in our organization. From the smallest work unit to the top leadership, employees are learning a simple system for making small improvements in their own processes to help them do more with less and boost the quality of their customer service.



TRANSFORMATION INITIATIVE

Transformation Office

500 Summer Street NE, E-94

Salem, OR 97301

Telephone: 503-945-6355

FAX: 503-947-5429

E-mail: DHS.transformation@state.or.us

www.oregon.gov/dhs/transformation

Employee-driven

Part of our rigorous look at agency operations involved asking for the best thinking of our employees who do the work, know the challenges and are being asked to identify solutions. When surveyed, employees said serving our clients is what drives them, more than salary or job security. They also said they are sometimes frustrated by barriers that keep them from doing their best work and that they want more accountability in the agency.

How we got here

We now know more about our services, operational process and business practices than ever before. During the first half of 2008, we surveyed, analyzed and benchmarked what we do, and compared ourselves to the best practices of industry leaders.

Teams are advancing transformation in each division and across five themes:

- » **Doing the right work the right way**
- » **Developing people and culture**
- » **Working together across divisions**
- » **Engaging with our partners**
- » **Getting more with the public dollar**

A transformed culture will be committed to continuously finding more effective processes yielding improved service to clients, better relationships with partners, redeployment of saved resources to other important work, and greater satisfaction among employees.

What's next?

Transforming DHS and OHA means continuously improving. Although the Transformation Initiative will be an agency "project" for 2 to 3 years, the transformed agencies will reflect permanent, performance-based cultures in which employees identify and remove barriers to being our best.

And, we'll continue leading the way in reinventing government in Oregon by sharing the lessons we've learned with other state agencies.

Our commitment to being a transparent, accountable agency starts with the Transformation Initiative itself, where we are tracking progress daily and regularly reporting results.

Because we know our work is too important not to be the best.

Improvement efforts near \$50 million in benefits

An initial list of improvement opportunities was created during the first phase of transformation in 2008. These improvement opportunities became transformation initiatives. Initiatives are grouped by divisions.

Twenty improvement initiatives have been completed resulting in benefits valued at approximately \$49 million in January 2011. Benefit values are tracked and updated monthly.

Summaries of completed transformation initiatives are grouped below by division. Benefit documents describing in detail how each improvement was made and the results for each completed initiative are posted on our website at www.oregon.gov/dhs/transformation.

Addictions and Mental Health Division (AMH)

Initiative: Oregon State Hospital (OSH) nurse hiring process

OSH cut the time it takes to hire nurses to meet goals to strengthen the consistency of patient care; cut costs for overtime and contract nurses; reduce the nursing vacancy rate to 10 percent and meet the industry standard hiring time of seven days. Six months after the initiative was implemented, OSH reduced its vacancy rate from 22.7 to 0 percent and cut the hiring process from 80 to 20 days, moving towards the seven-day goal. Benefits valued at \$711,485 were realized between February 2008 and March 2009.

Initiative: Oregon State Hospital MD billing for Medicare services

OSH streamlined the billing process for services provided by doctors and covered by Medicare to ensure accurate documentation and billing. In the first month of implementation, the percentage of physicians submitting billing increased from 84 to 100 percent. The total amount billed in the first month increased 53 percent, resulting in an additional \$86,934 in reimbursements through March 2010.

Initiative: Oregon State Hospital patient dietary process

OSH dramatically reduced the number of days it takes for a patient to have a dietary consultation. The wait time went from 150 days to 20 days and the dietary consult backlog was eliminated. The number of consults each dietician completes every month has on average doubled since OSH staff improved the process. This initiative resulted in benefits valued at \$138,269 as of March 2010.



Process mapping is a standard tool used to understand the flow of a process to identify and eliminate bottlenecks and unnecessary steps.

Initiative: Transitioning people through the adult mental health system

This initiative addressed how people who need residential services flow through the adult mental health system. The initiative focused on decreasing the amount of time a person is on a wait list for a different level of service. The initiative work concentrates acute care psychiatric hospital wait-lists for admission to Oregon State Hospital (OSH) and on the OSH “ready-to-place” list for people waiting to be discharged into community residential mental health treatment programs. A Rapid Process Improvement (RPI) event was held to create a streamlined, efficient and more cost effective approach to transitioning people through the system. The new approach is anticipated to decrease the amount of time a person is on the OSH Ready-to-Place List from an average of 197 to 30 days and decrease the percentage of people on the acute care wait list for 21 days or more from 49 to 10 percent. The improvements are expected to save \$296,520 in 2011. Implementation began in September 2010 and progress is being tracked weekly.

Initiative: Adult mental health residential program vacancy payment

Originally, the Vacancy Exception Request (VER) program provided funding to cover adult mental health residential community program costs to hold a space for a resident who leaves the program temporarily for a brief acute care admission. Over time, the practice expanded to cover a variety of mental health program vacancies which decreased provider incentives to admit newly referred adults to their residential programs. AMH created a new policy, procedures and an Oregon Administrative Rule (OAR) that returns the VERs practice to its original intent and encourages the development of a community placement process. The changes took place July 1, 2010 and support people in accessing the level of care and service in their communities that matches their needs. Savings of \$900,000 per year are projected.

Initiative: AMH Electronic document management

Entering a back log of 1200 paper files into an existing electronic filing system was a time-consuming task. Scanning one file could take up to four hours. Through a process improvement event, seven AMH staff streamlined the effort down to a 45-minute process per file, reducing the cycle time by 81 percent. The team set a deadline for entering the back log of files and finished two weeks early. In addition, the initiative resulted in benefits valued at \$2,248.

Administrative Services Division (ASD)**Initiative: Office of Information Services (OIS) service desk**

This initiative was focused on changing from what was essentially the information technology team's switchboard to a true service desk serving as the single point of contact for all technical issues experienced by DHS staff. The team aimed to increase the rate of resolution in the first contact staff members have with the service desk. Results include a 90 percent increase in volume and a 22 percent improvement in the timeliness of the team's resolution of customer service desk tickets. The cost of a service desk ticket dropped 22 percent or by \$7.70. The initiative resulted in benefits valued at \$719,616 in its first year.

Division of Medical Assistance Programs (DMAP)**Initiative: Third-party Liability**

The Third Party Liability (TPL) Initiative focused on early identification of Medicaid clients with third-party insurance to make sure DHS is not charged when a third party should be the primary payer for a Medicaid client's care. The improvement project also sought to increase the recovery of funds DHS paid when a third party should have made the payment. The division had a backlog of nearly 11,000 new TPL referral forms which DHS made payments on while waiting for the forms to be verified and processed. By improving the

process for third-party insurance identification, verification and processing, the division prevented inappropriate enrollments and payments, and eliminated the backlog of TPL referral forms. These efforts resulted in a cost savings of \$27 million between September 2009 and June 2010.

Initiative: School-based Health Services videoconferencing

The School Based Health Services (SBHS) Program sought a different approach for delivering timely, consistent and reliable information to improve communication to its stakeholders. The program piloted the use of videoconferencing for informational meetings in collaboration with 16 school districts in Oregon between May and December 2008. By participating in the pilot program, school districts estimated a potential annual benefit of \$35,000. Feedback from school districts that reduced staff and travel time by making the change has been overwhelmingly positive. SBHS now hosts monthly informational meetings for school districts via videoconference, increasing the consistency and interactivity of communications.

Initiative: Provider announcement conversion to electronic distribution

Before the implementation of the initiative, DMAP mailed Oregon Health Plan (OHP) Provider Announcements to providers, incurring print and postage costs. Presumably, providers would duplicate and share the provider announcement with their various departments, such as accounting staff or clinicians. Per biennium, DMAP mailed an estimated one million provider announcements about updates and changes to Oregon Health Plan's (OHP) policies, benefits, rules and procedures. When the implementation took place, DMAP was working with approximately 22,000 providers. DMAP switched to electronic distribution of OHP Provider Announcements on June 1, 2009. The financial result is an estimated biennium savings of \$606,000 or an annual savings of \$303,000 in print and postage costs.

Initiative: Health Service Commission Prioritized List

The Health Services Commission (HSC) Prioritized List of Health Services is the foundation for providing health services for people receiving Oregon Health Plan (OHP) benefits. The Commission prioritizes health services, and the Legislature draws a line somewhere on the list to indicate the funded services; services above the line are funded - those below are not. The list includes more than 700 physical health, dental, chemical dependency and mental health services. Since its inception, more than 1.5 million Oregonians have been covered under the Prioritized List. The list undergoes five revisions during a biennium. In January of every other year, HSC revises the list with changes to the list of services (such as the funding line or the priorities may change), if applicable. Every year in April and October, HSC makes technical changes to the list. Implementation of all changes involves coordination between HSC and various units in DMAP.

This transformation project focused on improving the implementation of the revised list by streamlining the steps involved, clarifying roles and responsibilities and improving the understanding of the interrelationship of the units. The April 1, 2009 implementation was successful in meeting deadlines, individual units involved knew their responsibilities, and individuals followed through with their responsibilities.

Initiative: Videoconference meetings

Every month there are between 15 and 20 work group, committee or other meetings with managed care organizations (MCOs). DMAP is increasing the availability of videoconferencing during these meetings. Prior to this initiative, DMAP did not hold any videoconference meetings with MCO stakeholders. Currently, DMAP offers videoconferencing at six of these meetings. Two MCOs have chosen to participate by videoconference on a regular basis. However, interest and inquiries from other MCOs to participate continues to increase. Participants used existing videoconference applications and did not need to purchase equipment. MCOs that traditionally called into meetings have two benefits from VCON. One is a far better quality of sound, and the second is the benefit of seeing people at the meeting. This will result in higher satisfaction for DMAP's MCO

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stakeholders and result in more effective meetings. Cost savings are for MCOs for reducing travel requirements.

Initiative: Provider NetLink Trainings

This transformation project focused on providing electronic training instead of in-person classroom training to the billing staff of health care providers who serve Oregon Health Plan clients. This initiative changed training delivery to electronic mediums, such as NetLink, Webinar, videoconference, Web-based self-tutorials and telephone conferences. It also changed the way training materials are created and reproduced by using CDs rather than hard-copy books.

Public Health Division (PHD)

Initiative: Oregon Environmental Laboratory Accreditation Program (ORELAP)

Oregon accredits environmental testing laboratories that meet national standards. The Oregon State Public Health Lab partners (OSPHL) with the Department of Environmental Quality (DEQ) to conduct the accreditations. Before improvements, the accreditation process was a manual process and its required reports were rarely completed within national standards for timelines, creating delays and risks to labs applying for accreditation. As a solution, the OSPHL and DEC teams partnered to create an online application, established regular OSPHL and DEQ meetings, and streamlined processes. The change generated \$64,000 a year in savings and brings Oregon's accreditation process steps within national timeline standards.

Initiative: Streamlining expenditure approvals - Out-of-state travel expenditure approval process

This initiative focused on reducing cycle time by streamlining the process and minimizing rework associated with receiving approval to travel out of state. The new process was released division-wide on Nov. 3, 2008. Since then, 100 percent of approval requests are completed within five business days (previously averaged 12 business days). The reduction in cycle time has allowed the division to book 100 percent of airline tickets on line, reducing the cost per booking to \$8 from \$28.50. The changes were projected to save \$12,936 in the first year. Additionally, by reducing processing time by 67 percent, the division saved \$91,000 worth of management and staff time.

Initiative: Out-of-state birth certificate process

Applicants must provide documentation of U.S. citizenship to be eligible for the Family Planning Expansion Project (FPEP), Oregon's family planning Medicaid waiver. FPEP applicants born in Oregon may request an electronic search for their birth record by submitting a Birth Information Form to their local clinic. In March 2008, the Women's and Reproductive Health Section implemented a process to purchase birth certificates for non-Oregon born citizens in an effort to provide equity of access. Since the launch of this program, Oregon has received \$278,545 in federal matching funds for providing family planning services to 939 women who had been born out of Oregon but did not present a birth certificate (non-documented visits do not qualify for federal match).

Without citizenship documentation, clinics can only offer applicants a single 'one-time exception visit' that must be fully paid for with General Fund (GF). Providing birth certificates ensures that this one-time exception is resolved so that FPEP can draw the 90% federal matching funds and applicants can be made eligible for a full year of service. GF budget allocated for one-time exception visits can be freed to provide additional coverage for family planning services.

Additionally, the process enabled continued provision of services to 313 women who may have been turned away after the one-time exception visit.

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Initiative: Streamlining expenditure approvals - Non-standard expenditure approval process

This initiative focused on the approval process for non-standard expenditures. Before, requests typically required approval by at least three managers, lacked a standardized documentation of requirements and justification for the expenditure causing a lengthy approval process, taking an average of 16 days. This lengthy cycle time and inconsistent decision-making criteria led to over processing, staff frustration, and possible loss of grant funds. A new process was implemented in July 2009. The cycle time was reduced from 16 days to two days, on average, and error rates decreased from 15 to 8 percent. Overall staff satisfaction with the process increased from 20 to 64 percent. Additionally, savings of \$19,972 were estimated during the first year of implementation with the savings coming from staff spending less time on this process.

Initiative: Web site publishing

PHD created a streamlined and standardized process for authoring, approving and posting content to its division Web site. The purpose of the initiative was to create a Web publishing plan to clearly define roles in the process, ensure accuracy and quality of content posted to the Web and to limit possible negative exposure of the division. The initiative saved PHD \$9,398.56 and 19 staff hours.

Initiative: Oregon State Public Health Laboratory specimen tracking process

The Oregon State Public Health Laboratory (OSPHL) provides testing of medical specimens for local health departments, hospitals and clinics primarily for communicable diseases such as Chlamydia, HIV, flu and swine flu, tuberculosis and other illnesses such as salmonella poisoning. Lab processes are being streamlined to cut the turnaround time for test results, speeding medical decision making by clinicians and helping prevent the spread of disease through faster communication of accurate information. Streamlining also provides for increased lab testing capacity and more manageable staff workloads. This initiative focused on OSPHL's specimen receipt process and involved using a courier system to speed transit time of specimens and reduce the packaging requirements for both OSPHL and its clients. As a result of this work, Oregon improved its rating on a national Emergency Health Preparedness scale, meeting eight of 10 key indicators.

Initiative: Oregon Center for Health Statistics data entry

The Oregon Center for Health Statistics improved the quality and accuracy of data submitted by providers and streamlined its processes for faster turnaround of reports and data used for programmatic research at PHD and many outside agencies. This same data also is used by the state to measure progress for Oregon Benchmark No. 39 on teen pregnancy. The average time it took to enter data dropped from an average of five days to 1.4 days and brought a \$779 cost savings.