Accountability Report Transmittal Form

Agency Name ___ Department of Health and Human Services_____

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South Carolina Health and Human Services 2009 Accountability Report

Budget and Control Board

October 23, 2009

EXECUTIVE SUMMARY

1. Mission & Values

The South Carolina Department of Health and Humans Services (SCDHHS) seeks to provide comprehensive healthcare coverage for South Carolinians in need while delivering value and high return on the taxpayers' investment. More narrowly, the goal is to foster a health care delivery system that supports improved health outcomes for Medicaid beneficiaries through a focus on value based programs.

IN SFY09, South Carolina's Medicaid program provided health care services for approximately 930,000 residents who are poor, elderly, or disabled. SCDHHS works with a vast network of 30,000 healthcare professionals, vendors and social service agencies to ensure their needs are met. SCDHHS also works to establish "medical homes" for all Medicaid beneficiaries and strengthen the bond between patients and physicians.

As stewards of a large proportion of state General Fund and federal matching dollars, SCDHHS officials are mindful of the need to protect the taxpayers' investment in the Medicaid program. SCDHHS keeps administrative costs to a minimum while aggressively pursuing waste, fraud and abuse in the Medicaid system.

2. SFY 2009 Major Achievements

South Carolina Healthy Connections Choices
SCDHHS continued to make beneficiary choice and competition among health plans a key component of overall Medicaid reform. Through partnerships with managed care organizations, Medical Home Networks and special enrollment counselors, SCDHHS seeks to increase care coordination and disease prevention methods not found in traditional "fee-for-service" Medicaid. Those who choose to enroll in a health plan also will establish crucial relationships with a primary care doctor. In the past, many Medicaid beneficiaries are left to navigate the health care system on their own, leading to sporadic care and unnecessary emergency services.

In addition, enrollees in *Healthy Connections Choices* can also take advantage of special benefits not available under traditional Medicaid, such as unlimited doctor visits, eyeglasses and dental care for adults, incentives for pregnant women, smoking cessation classes and special programs tailored to meet the needs of those with specific diseases. In SFY09, more than 400,000 Medicaid beneficiaries statewide were enrolled with one of eight coordinated care plans.

Healthy Connections Kids **Expansion**

SCDHHS worked to enroll more children in the new *Healthy Connections Kids* program. The program, which was authorized by the General Assembly, allows for the coverage of uninsured children whose annual family income does not exceed 200 percent of the federal poverty level. The legislation authorized SCDHHS to create a "stand-alone" program that offers the same benefits as the State Health Plan, plus dental and vision coverage. In SFY09, more than 14,000 children statewide were benefiting from the free program. Four health plans also offered coverage through *Healthy Connections Kids* (Unison Health Plan, Carolina Crescent, Absolute Total Care and Select Health).

Fiscal Stability and Accountability

Like other state agencies, SCDHHS experienced steep reductions in state appropriations as a result of declining state revenues (more than 13percent). In response to these changes, SCDHHS conducted a comprehensive review of all agency operations and services to determine what actions could be taken to maintain the fiscal stability in the Medicaid program.

In addition to programmatic reductions, many of which were later restored as a result of federal assistance through the American Recovery and Reinvestment Act (ARRA), SCDHHS significantly reduced administrative expenses. This included eliminating certain contracts, reducing temporary grant positions, instituting a hiring freeze and imposing a mandatory employee furlough. In addition, SCDHHS reduced Other Operating Expenses by 45percent. Key operating decreases included:

Printing	-35percent	Meals	-52percent
Telephone	-45percent	Lodging	-44percent
Utilities	-38percent	Office Equipment	-92percent
Postage	-99percent	Mileage	-44percent

Midway through SFY09, SCDHHS began receiving an enhanced federal match rate for Medicaid expenditures. This enhancement was part of ARRA and allows SCDHHS to offer Medicaid services at a lower expense to the state. As a result, many service and rate reductions implemented during SFY09 were restored by SCDHHS. The agency was recognized by the federal Centers for Medicare and Medicaid Services (CMS) for being one of the first states to devise a comprehensive accounting system to track Medicaid ARRA funds. It should be noted that the ARRA enhancement is scheduled to end midway through SFY11.

Medically Complex Children's Waiver

Under the direction of the federal Center for Medicare and Medicaid Services, SCDHHS discontinued its regionally-based Medically Fragile Children's Program. In its place, the agency worked with partners in the medical community to establish the Medically Complex Children's Waiver. The waiver program, which can serve approximately 150 children, allows for many of the same services offered under old program, but makes them available to children statewide. The waiver serves children with a serious illness or condition that is expected to last at least 12 months. The illness or condition generally makes the child dependent upon comprehensive, medical,

nursing and health supervision. Waiver services include Pediatric Medical Child Care, respite, care coordination and incontinence supplies.

Fraud and Abuse Efforts

Through its Program Integrity division, SCDHHS has aggressively pursued Medicaid fraud and abuse and dramatically increased collections. Over the past two years, the agency recovered $36.1 million in Medicaid funds from providers and beneficiaries —a 65 percent increase in collections compared to the previous two years. Twenty-two million of those collections came in SFY09. The rise in collections is attributable to additional investigators, sophisticated new data-mining tools, and diligent pursuit of inappropriate billing practices.

Also in SFY09, the number of referrals to the Attorney General's Office increased by more than 60 percent, from 37 cases to 60. When SCDHHS suspects a case involves criminal fraud, as opposed to abusive practices, the case is referred to the SC Attorney General's Office for further investigation.

SCDHHS also recently instituted a pharmacy "lock-in" program for beneficiaries who show patterns of prescription drug-seeking and abuse. This group, currently limited to several dozen beneficiaries, was identified through a data analysis that flagged unusual claims activity. The program ensures the individuals must get all prescriptions from one pharmacy. Prescription drug abusers often attempt to utilize multiple pharmacies and doctors to mask their habit.

3. Key Strategic Goals

SCDHHS has established the following key strategic goals:

• To provide benefit plans that maximizes the state's return on its investment.

• To provide a credible and continually improving eligibility process that is accurate and efficient.

• To provide administrative support at the best possible value to ensure programs operate effectively.

• To provide adequate and effective communication to those the agency assists, as well as encourage them to make decisions regarding their own healthcare.

4. Key Strategic Challenges

SCDHHS faced many financial challenges in SFY09 as a result of several rounds of state budget reductions. In all, SCDHHS' state appropriations were reduced by $134 million, or about 13 percent of the agencies total state appropriations. These budget constraints forced the agency to make reductions in a number of important areas including services, provider rates and administration. Ultimately, some of this funding was replaced through ARRA, which provided an enhanced match rate for Medicaid expenditures. The enhanced match rate through ARRA is expected to cease in 2010, which will pose significant challenges in future budget cycles.

More generally, like many private insurance companies SCDHHS must provide quality healthcare coverage while working with clearly defined financial constraints. That task is becoming increasingly difficult given the rise in cost of healthcare and the state's uniquely unhealthy population (South Carolina's health status ranks 48th nationally according to United Health Foundation). SCDHHS also is subject to many shifting federal guidelines that dictate how states must govern the Medicaid program and limit their flexibility in terms of innovation. The ongoing challenge for the agency is finding the right balance between quality coverage and cost.

5. Use of Accountability Report to Improve Organizational Performance

Executive Staff contribute to many elements of this report, committing to the goals and performance measures relevant to their areas. It is also submitted as part of official state surveys of agencies, such as the South Carolina Single Statewide Audit. The self-assessment process that takes place helps analyze the strengths and weaknesses of each program area.
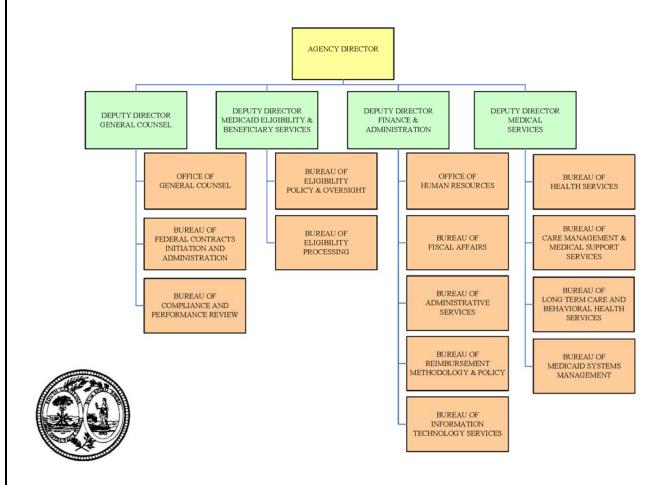
II. Organizational Profile

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SCDHHS administers Medicaid, Title XIX of the federal Social Security Act (SSA). The state's Medicaid program encompasses a host of programs, including Community Long Term Care for the elderly and disabled and the State Children's Health Insurance Program (SCHIP). In addition, SCDHHS has oversight of several Medicaid waiver programs that are administered by the SC Department of Disabilities and Special Needs, such as the Head and Spinal Cord Injury waiver and the Pervasive Development Disorder Waiver. Because SCDHHS is a cabinet level agency, it works with the Governor's Office and the General Assembly to design new programs and build on existing ones that help meet the needs of Medicaid qualified South Carolinians.

SCDHHS' Office of Human Resources supports over 1,088 full-time equivalent employees, 228 temporary grant employees, and 14 state temporary employees. The agency conforms to the following organizational structure:

SOUTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

Products and Services

The major product provided by SCDHHS is healthcare coverage. This includes coverage for low-income families, qualifying pregnant women and infants, children, as well as disabled and elderly recipients. SCDHHS also provides educational and prevention programs and supports a range of treatment, intervention and support programs through other state agencies.

Key Customer Segments

SCDHHS key Customer groups are the nearly one million low-income and disabled South Carolinians who rely on Medicaid for healthcare coverage and the providers that serve them. Providers include physicians, hospitals and other care facilities, pharmacies, MCOs, MHNs and other state agencies that provide medical services.

Other Key Stakeholder Groups

Due to the reach of the agency and scale of its budget, the work of SCDHHS is subject to input from many constituents beyond its core customers. Other stakeholders include taxpayers and political leaders, groups that advocate on the behalf of recipients and their families, healthcare vendors and many others.

Key Suppliers and Partners

The suppliers that support the design and implementation of Medicaid-sponsored care include research entities, health care associations and brokerage companies, universities, administrative support firms, enrollment counseling, transportation management systems, MCOs, MHNs and many other businesses and organizations that assist the agency in fulfilling its mission, such as transportation services and computer support. Advocacy groups and advisory groups, such as the agency's Medical Care Advisory Committee, are important partners in crafting policy.

Operation Locations

SCDHHS is headquartered at 1801 Main Street, Columbia SC. The agency maintains at least one eligibility office in all 46 counties of the state.

Employees

SCDHHS' Office of Human Resources supports over 1,088 full-time equivalent employees, 228 temporary grant employees and 14 state temporary employees.

Regulatory Environment

By federal statute, SCDHHS is regulated by the federal Centers for Medicare and Medicaid Services (CMS). CMS has the authority to set guidelines under which states must administer its Medicaid programs. Since the federal government provides most of the money SCDHHS uses to reimburse for medical services, CMS has far-reaching regulatory powers over the fiscal and policy affairs of SCDHHS. This includes dictating mandatory eligibility groups and services, as well as how the agency must interact with healthcare providers.

As a state agency, SCDHHS is also subject to the rules and regulations all other state agencies must abide by as part of South Carolina law. These rules include issues regarding procurement, human resources and freedom of information requests. The agency must follow certain provisions dictated by the legislative, executive and judicial branches of state government.

Performance Improvement System

SCDHHS maintains a rigorous system of performance evaluation. Managers/supervisors are held accountable for clearly defined goals under the agency's "GO" (Goal Outline) system that tracks progress of tasks. The agency's decision support system adds a new dimension of improvement by allowing the agency to quickly analyze and adapt to an array of data measures, including clinical effectiveness of SCHHS policies.

Organizational Structure

SCDHHS is a cabinet agency, so the agency director is appointed by the governor. Under the agency director, SCDHHS is organized into four major areas: eligibility, medical services, legal/regulatory and finance. Various divisions, or bureaus, are organized under each of those major program areas. See "Organization Chart" on page 8.

Expenditures/Appropriations

See "Base Expenditures/Appropriations" chart on page 11.

Major Program Areas

See "Major Program Areas" chart on page 12.

Accountability Report Appropriations/Expenditures Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 07-08 Actual Expenditures[1]		FY 08-09 Actual Expenditures[2]		FY 09-10 Appropriations Act[3]	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$ 44,126,543	$ 16,569,873	$ 45,530,266	$ 16,206,106	$ 47,230,686	$ 16,015,811
Other Operating	$ 109,279,203	$ 22,843,072	$ 111,424,605	$ 15,094,367	$ 182,070,166	$ 12,607,265
Special Items	$ -	$ -	$ -	$ -	$ -	$ -
Permanent Improvements	$ -	$ -	$ -	$ -	$ -	$ -
Case Services	$ 4,469,137,901	$ 936,405,245	$ 4,980,558,035	$ 717,773	$ 5,583,752,838	$ 764,735,543
Distributions to Subdivisions	$ -	$ -	$ -	$ -	$ -	$ -
Fringe Benefits	$ 13,626,670	$ 4,915,025	$ 14,507,567	$ 5,100,800	$ 15,269,781	$ 5,004,370
Non-recurring	$ 33,716,380	$ 14,711,672	$ 2,972,839	$ -	$ 260,277,854	$ -
Total	$ 4,669,886,697	$ 995,444,887	$ 5,154,993,312	$ 37,119,046	$ 6,088,601,325	$ 798,362,989

		Major Program Areas					
Program Number and Title	Major Program Area Purpose (Brief)	FY 06-07 Budget Expenditures		FY 07-08 Budget Expenditures		FY 08-09 Budget Expenditures		Key Cross References for Financial Results*

Program Number and Title	Major Program Area Purpose (Brief)	FY 06-07 Budget Expenditures	FY 07-08 Budget Expenditures	FY 08-09 Budget Expenditures	Key Cross References for Financial Results*
30010501-30011507 Medicaid Health Services	Provides health insurance benefits for low-income families as well as the aged, blind and disabled.	**State:** 821,058,733.94 **Federal:** 3,161,959,622.74 **Other:** 698,890,223.86 **Total:** 4,681,908,580.54 **% of Total Budget:** 99.383%	**State:** 982,346,831.86 **Federal:** 3,136,230,001.62 **Other:** 513,787,907.20 **Total:** 4,632,364,740.68 **% of Total Budget:** 99.197%	**State:** 661,644,614.61 **Federal:** 3,787,358,355.45 **Other:** 678,316,810.39 **Total:** 5,127,319,780.45 **% of Total Budget:** 99.463%	(highlighted)
	Total Agency	**State:** 99.383%	**State:** 99.197%	**State:** 99.463%	

Below: List any programs not included above and show the remainder of expenditures by source of funds.

01000000 - Agency Administration (Indirect), 95000000 Employer Contributions*, 30150500-30151005 HeadStart

Remainder of Expenditures:	**State:** 11,196,551.00 **Federal:** 15,579,512.28 **Other:** 2,310,577.70 **Total:** 29,086,640.98 **% of Total Budget:** 0.617%	**State:** 13,098,055.16 **Federal:** 18,147,757.28 **Other:** 6,276,143.81 **Total:** 37,521,956.25 **% of Total Budget:** 0.803%	**State:** 10,474,431.32 **Federal:** 14,791,828.27 **Other:** 2,407,271.71 **Total:** 27,673,531.30 **% of Total Budget:** 0.537%

III. MALCOLM BALDRIGE CRITERIA

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Category 1 – Leadership

1.1 How do senior leaders set, deploy and ensure two-way communication for: a) short and long term direction and organizational priorities, b) performance expectations, c) organizational values, d) ethical behavior?

a) short and long-term direction and priorities

The executive staff works in conjunction with senior managers of the various bureaus within the agency to set the overall goals and objectives of the agency. Scheduled meetings occur at least weekly and allow senior managers, deputy directors and the director to address critical needs and issues of the agency.

During these meetings, senior managers present recommendations for various projects that should be pursued to promote the mission of the agency. A uniform format, called the "GO" (Goal Outline) sheet, was developed to provide the following: background information of projects, purpose, work plan and time frames, fiscal impact, stakeholders impacted and team members.

The feedback received from meeting participants is used to prioritize initiatives. Deputy directors schedule follow-up meetings with their respective senior mangers so that the status of implementation of various projects can be monitored. Senior managers schedule subsequent staff meetings to ensure that all staff is aware of the short and long term goals and objectives adopted by the agency.

b) performance expectations

Implementation of projects pursued by the agency is monitored on a regular basis and senior managers are provided with status reports. SCDHHS implemented in SFY09 a formal Change/Control process to better track the progress of significant eligibility and reimbursement systems changes. Additionally, individual performance expectations are communicated via the Employee Performance Management System (EPMS) planning stage and evaluation documents. Objective feedback is provided to employees by direct supervisory staff.

c) organizational values

The following organizational values serve as the foundation of SCDHHS's administration: Service, Excellence, Responsive, Value, and Everyone. These organizational values, SERVE, are communicated to new employees during an orientation session and are constantly reinforced.

Employees of SCDHHS work daily to operate with these values in mind. The SERVE credo is prominently displayed throughout the agency as a reminder of its importance.

d) ethical behavior

Executive and senior management staffs strive to model ethical behavior in conducting the day-to-day operations of the agency. Ethical behavior starts at the top with agency leadership and is expressed primarily through the value that is placed on teamwork and integrity. At SCDHHS, every employee is involved in the agency's success, and as a team employees encourage and hold each other accountable for their actions.

To encourage accountability, the agency took steps to strengthen supervisory oversight in areas that could be more open to fraud and abuse. For example, statewide eligibility office management conducts increased supervisory audits. Also, eligibility rules were changed to prevent workers from handling cases involving family members. These types of efforts reflect the agency's increased awareness of potential unethical behavior and the need for proactive measures to reinforce an integral environment.

1.2 How do senior leaders establish and promote a focus on customers and other stakeholders?

Providing good customer service is a critical function of SCDHHS. Standards are in place that encourage responsiveness to customer questions and concerns. In conjunction with senior managers, the agency developed specialized customer service training for staff. SCDHHS worked with human service personnel from the Budget and Control Board to design and deliver this training, which focused on the skills necessary to support employees in their public service work.

To ensure the achievement of a high level of customer service, SCDHHS conducts a sample of customer surveys on a regular basis. The agency maintains a log system to track and resolve complaints from beneficiaries, providers and legislators. Through representation on various committees, provider associations, and focus groups, senior managers are able to obtain feedback about customer needs. Feedback is then used to enhance services as needed. The agency also makes special efforts to recognize and reward employees for exceptional customer service.

1.3 How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

Prior to implementation of policy changes, the potential impact on internal and external stakeholders are identified and evaluated by program staff through the GO system. The agency also presents changes requiring a Medicaid State Plan amendment to the Medical Care Advisory Committee (MCAC) consideration. The MCAC is comprised of physicians and advocates who advise the agency on policy. Any policy changes are communicated to beneficiaries and providers prior to implementation as proscribed by law. Public notices and hearings often advance most important policy changes, giving staff critical feedback on potential changes. Electronic Medicaid

Bulletins are sent to providers regarding Medicaid policy changes or policy clarifications as needed. A quarterly newsletter is sent to beneficiaries to alert them about any changes regarding eligibility and benefits. Additionally, verbal and written reports are provided to legislative committees and the governor outlining the implications for policy changes.

1.4 How do senior leaders maintain fiscal, legal, and regulatory accountability?

Both SCDHHS' general counsel and the head of its finance division serve as deputy directors, which underscores the importance of these functions within the agency. Senior leaders require all proposed changes to programming or reimbursements to conform to state and federal guidelines before implementation. Proposals must identify which legal steps must occur before any change is pursued. These changes often require notification and approval from CMS. In addition, the MCAC advises the agency on Medicaid issues and the potential impact of changes. All proposals also go through a rigorous fiscal analysis to determining the short and long-term costs associated with the potential change.

1.5 What key performance measures are regularly reviewed by your senior leaders?

Executive staff continuously reviews the GO sheets, which identify the major agency projects and their respective status. Budgetary impact of the projects is included in the review. The agency's fiscal affairs staff also regularly reports to senior leaders to keep them apprised of the financial performance of various areas of the organization. These reports include the following:

- Operational Performance - utilization rates/trends, accuracy measures, eligibility accuracy reports, program integrity audits;

- Customer Performance - customer response/efficiency reports, claims data, provider reimbursements information, eligibility efficiency reports;

- Financial Performance - fiscal charts, budget-to-actual reports; and

- Mission and Program - strategic plan review, program specific outcome measures.

1.6 How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness, the effectiveness of management throughout the organization including the head of the organization and the governance body/policy making body? How do their personal actions reflect a commitment to the organizational values?

Using the information provided from the measures in 1.5 above, agency leaders are apprised of the projects employees are managing, and what the corresponding challenges might be. If a project is behind schedule or over budget, senior leaders can work to improve the productivity of staff or the scope of the project.

Senior leaders work to use those tools as a self-evaluation so that they can work to improve upon their skills and motivate employees to do the best job possible. Executive staff members have an "open door" policy to employees, and project an attitude of cooperation. The agency's Employee Performance Management System (EPMS) also offers a formal tool for executive staff to assess management strengths and challenges.

In addition, agency leadership occasionally solicits employee feedback on a variety of initiatives. For example, during budget reductions the agency asked all employees to submit cost-saving suggestions that could be reviewed by senior staff for potential implementation.

1.7 How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

Executive staff members promote a team approach to organizational structure by encouraging succession planning and cross training in specific divisions. Many departments have been reorganized into "team oriented" groups. This approach helps built a greater breadth of knowledge transfer from more experienced staff to newer staff members. The team structure has fostered mentor relationships that aid in succession and increased morale among team members.

About 300 SCDHHS supervisors also have completed the Associate Public Manager Certification through the state Budget and Control Board. Eleven of the agency's managers have also completed the Certified Public Manager Program, a more comprehensive certification program designed to groom future organizational leaders. SCDHHS also offers tuition reimbursement to employees that wish to further their education at a university or state technical college. To encourage employees to become future leaders, supervisors are asked to identify employees that show competencies and leadership potential.

1.8 How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?

As mentioned in sections 1.1 and 1.5, senior leaders are intimately involved in developing key agency goals and objectives, monitoring the progress of tasks, and making adjustments when necessary. The organization is structured so that innovative ideas from team members are encouraged and incorporated into policy whenever possible. Senior leaders work to create an environment of employee empowerment by recognizing and rewarding new ideas that further agency goals.

1.9 How do senior leaders create an environment for organizational and workforce learning?

Senior leaders encourage employees to provide their input and ideas. They also encourage knowledge sharing between departments so that employees know more than just the information that they have to know for their job. Senior leaders also encourage training, retreats and continuing education.

1.10 How do senior leaders communicate with, engage, empower, and motivate the entire workforce throughout the organization? How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?

With the vision and mission in mind, senior leaders use staff meetings, one-on-one conferences, incentives/ rewards and goal setting strategies to communicate with, motivate, engage and empower their employees. A Service Award Ceremony is held every year to recognize those that have given 5, 10, 20, or 30 years of service to SCDHHS and High Five Awards are given to customer service representatives who excel at what they do.

In SFY09, SCDHHS' director began video taping employee messages to appraise employees on changes at the agency and give budget updates. SCDHHS also maintains an employee blog, SCDHHS Press, which shares employee news and accomplishments.

1.11 How does senior leadership actively support and strengthen the communities in which your organization operates? Include how senior leaders determine areas of emphasis for organizational involvement and support, and how senior leaders, the workforce, and organization contribute to improving these communities.

Executive staff and the SCDHHS employees are encouraged to participate in community organizations like the United Way, the Red Cross, the Public Health Association and other important groups. The agency also has a CHAMPS (Community, Health, Activity, Morale, Program and Service) committee, which works with senior leaders to support a variety of public causes, such as healthy lifestyle initiatives. They sponsor food drives, fundraisers and blood drives to help support community organizations. The agency's Community Long Term Care division also sponsors an annual client fundraising event.

Category 2 – Strategic Planning

2.1 What is your Strategic Planning process, including KEY participants, and how does it address:
a. Organization's strengths, weaknesses, opportunities and threats
b. Financial, regulatory, societal and other potential risks
c. Shifts in technology, regulatory, societal and other potential risks and customer preferences
d. Workforce capabilities and needs
e. Organizational continuity in emergencies
f. Ability to execute strategic goal

SCDHHS' strategic planning process begins with the analysis of feedback from employees and service partners like providers, legislators and recipients. Combining such feedback with ideas from staff and agency leadership leads to the cultivation of new and innovative ideas. All stakeholders – families who receive Medicaid, providers, advocates and businesses that support the system—are considered key participants and are encouraged to join the planning process.

a) organizations strengths, weaknesses, opportunities and threats.

The agency constantly evaluates current and future challenges and opportunities and incorporates them into its short and long-term planning procedures. A SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is done periodically to evaluate the agencies current position as well as near-future issues that need to be addressed.

b) financial, regulatory, societal and other potential risks.

See sections 1.3 and 1.4 above

c) shifts in technology or the regulatory environment.

SCDHHS is committed to using technology to advance its goals. For example, the move to electronic billing and Medicaid bulletins have cut costs and improved efficiencies; the development of the South Carolina Health Information Exchange (SCHIEx) aids in improved patient treatment; and the development of the decision support system (Medstat) helps the agency identify fraud and develop better policies.

SCDHHS is also in frequent communication with CMS and various state Medicaid policy groups that help keep the agency of potential federal regulatory changes and their impact on states.

d) human resource capabilities and needs.

Generally, these are determined through the agency's Office of Human Resource and are selected through a process that evaluates agency priorities and available resources.

e) business continuity in emergencies.

The agency is very aware of the necessity of its operation at all times, including during emergency situations. Therefore, the agency has developed a detailed emergency plan that proscribes actions and contingency plans for multiple emergency scenarios. Drills are conducted periodically and unannounced so that employees are aware of how to handle emergency situations if they arise. The agency also work with officials from the SC Emergency Management Division, the SC Department of Health and Environmental Control, law enforcement and others to ensure continuity if an emergency were to arise.

f) ability to execute strategic goal.

As described in section 1.1, the GO sheet procedure is a mechanism that analyzes the agency's ability to execute strategic goals and objectives, measuring progress along the way. Employees and divisions work together to accomplish goals and objectives, as well as make adjustments to these goals and objectives as needed.

2.2 How do your strategic objectives address the strategic challenges you identified in your executive summary?

The strategic objectives created for the agency are strictly aligned with the strategic challenges that have been identified. The objectives are used to help overcome the challenges that SCDHHS is faced with as well as deter other challenges from arising. For example, certain objectives were added and other modified as a result of the challenges of declining state financial support.

2.3 How do you develop and track action plans that address your key strategic objectives and how do you allocate resources to ensure the accomplishment of your action plans?

The GO sheet tracking system, as described in 1.1, is the agency's primary method for tracking and supporting strategic objectives. Resources are allocated accordingly, especially human resources. Staff must be occasionally shifted from one area to help another area that is in need; for example, moving additional resources into the SCDHHS Resource Center to handle additional calls typically experienced after a beneficiary newsletter is mailed out.

2.4 How do you communicate and deploy your strategic objectives, action plans and related performance measures?

The GO sheet project priority/tracking system, outlined in 1.1, is the key tool for communicating and deploying the agency's strategic objectives.

2.5 How do you measure progress on your action plans?

Progress is measured in several ways, but it is generally tracked through GO sheet tracking system.

2.6 How do you evaluate and improve your strategic planning process?

The agency reviews its planning processes during executive staff meetings to ensure strategic objectives are being met in a satisfactory manner. Annual management retreats are also serving as forums to discuss the agency's processes and identify potential improvements.

2.7 If the agency's strategic plan is available to the public through the agency's internet homepage, please provide a Web site address for that plan.

N/A

Strategic Planning

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 07-08 Key Agency Action Plan/Initiative's)	Key Cross References for Performance Measures*
030010000-03001500 Medicaid Health Services	Goal 1- Provide a benefit plan that improves member health, is evidence based, and is market driven. Initiatives include encouraging consumer choice, establishing medical homes, employing market principles, and increasing access.	DHHS worked to expand consumer choice and pursue a Medicaid system that supports the managed care/ medical homes models (Healthy Connections Choices). The agency also expanded screenings for diseases. Other programs that SC DHHS has worked to develop are: HOA Accounts and Healthy Connections Kids	Charts 7.3-1;7.3-3; 7.3-4-7.3-5
01000000-Agency Administration	Goal 2- Provide a credible and continually improving eligibility process that is accurate and efficient. Efforts include insuring training, avoiding misuse, improving workflow, identifying potential for privatization, and the like.	DHHS had increased eligibility oversite and managerial review, used internal and external study groups to improve processes, and contracted to eliminate backlogs, and began citizen/nationality verification for all eligibles. DHHS also went through a call center reform to make the call center a more efficient resource for Medicaid beneficiaries.	Charts 7.3-2
01000000-Agency Administration	Goal 3- Maximize savings/ streamline admin. Efforts include continued pursuit of fraud and abuse , using the web to do business, streamlining delivery of services and restructuring support services when appropriate.	The agency continues to strive to approve overall administrative accountability and productivity by implementing decision support systems, developing a new web-based claims system and creating SCHIEx . A Transportation brokerage system is now being used for all transportation of beneficiaries, which helps to control that area. DHHS also continues to move forward with the implementation of SAP, which will be fully implemented in 2010.	
* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.			

Category 3 – Customer Focus

3.1 How do you determine who your customers are and what their key requirements are?

Defined broadly, SCDHHS "customers" are any individual or organization that interacts with the agency, including Medicaid applicants and beneficiaries, Medicaid providers and agency partners (e.g. hospitals, other state agencies). Determining the needs of customers is achieved through agency correspondence and surveys, focus group studies, review of letters/feedback to the agency and constant communication with these customers.

For most applicants and beneficiaries, primary interaction with the agency is through one of the county eligibility offices, Medicaid recipient bulletins, the agency's toll-free number, the beneficiary newsletter, enrollment counselors and the Web site. Toll-free number operators answer on average 9,000 call per day, and use each customer service call as an opportunity to gain insight of the needs of Medicaid recipients. In addition, workers in the agency's local county offices are in constant communication with managers in the central office, sharing the needs and concerns of recipients they come in contact with daily.

Provider representatives meet regularly with SCDHHS leadership and give feedback through the MCAC and through interactions on task forces and in professional working groups like provider association meetings. In addition, a new physician advisory group was created to guide the agency in healthcare-related business decisions.

3.2 How do you keep your listening and learning methods current with changing customer/business needs and expectations?

The Customer Service Initiative (CSI) Board, a team of SCDHHS management and direct service staff, was developed to create customer service standards and measures to be used as a benchmark system for Medicaid eligibility offices to measure progress. As a major component of the Customer Service Initiative, all eligibility staff receives training on "Customer Service – The HHS Way." Participants are introduced to and challenged to adopt the five key practices necessary to achieve positive work outcomes at SCDHHS: Be a Team Player, Practice Effective Communication, Show Respect/Be Courteous, Demonstrate Professionalism, and Protect Customer Privacy/Confidentiality.

 The Internet also has been an area of change in regard to listening and learning from customers. In addition to the Web site and e-mail interaction, the agency is doing more business and receiving more feedback through online billing and issue resolution tools. SCDHHS is learning more about recipients and providers through client management tools like its decision support system.

 As mentioned, SCDHHS also monitors the incoming "traffic" into its phone bank. Tracking the customer feedback has become more sophisticated in recent years and the agency can glean useful information based on what customers are communicating. In addition, the customer support services available to specific provider groups (e.g. Durable Medical Equipment providers, specialty

care providers, etc.) use feedback they receive from phone and business transactions as a major means of learning what customers need.

3.3 What are your key customer access mechanisms, and how do these access mechanisms enable customers to seek information, conduct business, and make complaints?

As mentioned above, SCDHHS maintains multiple access mechanisms in addition to county offices throughout the state. These include: various Web sites, online billing capabilities, electronic bulletins, a beneficiary newsletter, a Resource Center for incoming calls, and a fraud and abuse hotline. In SFY08, SCDHHS created a transparency Web site, where the public can track Medicaid expenditures. This site also allows the public to search payments by individual Medicaid provider.

3.4 How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

SCDHHS uses surveys, focus groups, consumer forums and service utilization analysis, in addition to public feedback, to evaluate the satisfaction of customers and stakeholders. By tracking calls to the agency's Resource Center managers can get a timely read on how customers are reacting to various policies.

Beginning in SFY07, a three-pronged approach was used to monitor the implementation of more advanced customer service standards, processes and policies.

- Secret Shopper visits/calls to all 46 counties and the Division of Central Eligibility Processing (CEP). Secret shoppers regularly visit all counties to observe and determine fidelity to agency customer service standards. Calls are be made to a random sample of out-stationed workers and to the CEP to measure customer service standards.

- Complaint Follow-up. When complaints have been made on specific employees, University of South Carolina staff will assist SCDHHS in investigating the complaint and provide feedback to SCDHHS. The following will be done to collect information:

    o A secret shopper will make a call to and/or visit the employee for observation.

    o Staff will attempt to determine whether the call is a complaint regarding poor customer service or dissatisfaction because eligibility has been denied or terminated.

    o A summary of findings are provided to SCDHHS and recommendations are made on how to address the issue.

- Customer Service Initiative Board will propose establishing a centrally located Customer Service Center
- Resource Center. Employees handle questions, complaints, and comments and track by region.
    o They feed information to the training component of SCDHHS.

- Calls will be made to a minimum of five clients that have interacted with the employee in the past month to gather their experiences working with the employee.

3.5 How do you use information and feedback from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

In SFY 08, a benchmark system was established to review the progress the agency is making in providing high quality customer service. The benchmark system lists goals with related operational measures and the results for the region. Performance data is collected from secret shopper visits/calls and client interviews and shared with SCDHHS management staff and the local offices on a quarterly basis. For complaint investigations, once the review is completed, a report is provided to SCDHHS management staff.

SCDHHS also tries to take a proactive approach in meeting customer demand for new services/programs. For example, the agency worked to create a medical homes local provider network in response to physicians' feedback on how to empower providers to manage Medicaid in their areas. The result in this case is a medical homes cooperative that offers a structure that rewards local physicians for good health and fiscal outcomes.

In SFY09, SCDHHS began communicating with provider through an electronic newsletter called *The Provider Perspective*. The newsletter is designed to supplement regular provider bulletins.

3.6 How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer and stakeholder groups.

As described in 3.1, the agency broadly defines customers as groups and entities that have direct contact with the Medicaid program—recipients, providers, etc. Stakeholders would include taxpayers, advocates and policy makers. The agency believes maintaining a positive relationship with both groups is critical to its long-term success. The director and executive staff are committed to an open-door policy and meet regularly with both customers and stakeholders to discuss concerns and participate in various community meetings.

Since the open flow of information and productive communication are essential to any organization, the director has streamlined the agency's procedures for responding to letters and e-mails, ensuring more timely responses to the public, legislators and the media. The agency also continues to send a beneficiary newsletter to recipients. Regular reporting to providers and beneficiaries through bulletins and notices also helps build positive relationships.

On key policy and budget issues, SCDHHS staff is accessible to both lawmakers and their staffs. To keep the general public informed, the agency maintains contact with media outlets throughout the state and uses outreach efforts through its press office to keep them informed of major Medicaid news.

With all these audiences, the agency Web site is a vital communications tool. Applicants can view income guidelines online, and find all forms necessary to apply for Medicaid. Providers can sign-up to participate in Medicaid, view fee schedules, find information about Managed Care coverage in specific areas, and read bulletins and manuals online. The transparency Web site is also available to customers and stakeholders so that they can see how money is being spent on administrative costs as well as going to providers.

Category 4 – Measurement, Analysis, and Knowledge Management

4.1 How do you decide which operations, processes, and systems to measure for tracking financial and operational performance, including progress relative to strategic planning and action plans?

State and federal laws require that certain aspects of programs be evaluated and program data be reported, including outcomes and profiles of processes or populations. Other measurements may be assessed in response to special inquiries from the public, media, the Governor's Office, General Assembly and other interested parties. SCDHHS also commissions independent studies of programs to gauge cost-effectiveness, including actuarial firms and university researchers.

SCDHHS leadership regularly reviews the financial and operational data of program lines and assesses year-to-date status to identify potential issues and make adjustments as needed. One tool that helps with this effort is the decision support system. Vital management data is available to executive staff to support value-based decisions. This system will provide key financial indicators, as well as information on service utilization dynamics and potential fraud and abuse cases.

4.2 How do you select, collect, align and integrate data/information for analysis to provide effective support for decision making and innovation throughout your organization?

Key managers continuously use data to drive policy decisions of the agency. Through the use of cost reports and reimbursement data, managers can make cost-effective decisions on a range of topics. Data collection also allows the agency to compare data from month to month and year to year so that progress and changes can be watched and analyzed. In SFY 2010, the agency is moving to the SAP (Systems, Applications, and Products) data system, which will allow all of the agency's financial data to be integrated and aligned. SCDHHS believes quality data is an increasingly important tool in effective decision-making for the present and future.

4.3 What are your key measures, how do you review them, and how do you keep them current with business needs and direction?

In addition to the measurements identified above, the agency's broader measures have been identified as those that will help it progress toward its overall goals.

For the first goal of providing a benefit plan that improves member health, is one that is evidence based and market driven. The key measures include:

- a baseline index of general health for Medicaid members relative to the general population;

- the number of consumer-driven, incentive-based medical homes; and

- Medicaid expenditure growth rate compared with the cost of healthcare costs nationally.

- For the goal of providing a credible and continually improving eligibility process that is accurate and efficient, the key measures include:

- customer satisfaction survey baseline;

- average processing time – compliance with federal processing guidelines;

- percent of applications accurately processed within federal requirements; and

- average baseline cost per application.

- For the goal of providing administrative support at the best possible value to ensure programs operate effectively, the key measures include:

- holding the percentage of administrative cost to program cost at less than 3 percent;

- establishing an internal customer satisfaction survey baseline;

- leveraging technology; and enhancing savings by 10percent by expanding the number of fraud and abuse reviews, and auditing compliance reviews;

- cutting back on the use of paper through the utilization of the Internet, SCDHHS' Web site, and e-mail;

- moving towards only sending out electronic bulletins verses paper mail-outs; and

- Electronic Funds Transfer (EFT) verses check mail-outs

4.4 How do you select and use key comparative data and information to support operational and strategic decision-making and innovation?

Quality data is the foundation of all decision-making at SCDHHS. The agency's Information Technology division provides access to a myriad of reports and statistics needed to facilitate decision-making processes. As mentioned, the Medstat decision support system gives managers access to this data from their desktops, allowing them to quickly splice large amounts of data almost instantly. The tool significantly aids managers in goal setting, decision making and forecasting of trends. Beyond standard agency reports, the availability of more specific demographic, fiscal, and programmatic reports is helping planners make more data-driven decisions. The decision support system allows managers to "drill down" into provider/recipient behavior; ensuring data likely will be even a more integral part of agency decisions in the future.

 The selection and use of comparative data is determined by the nature of a given situation. SCDHHS frequently uses regional and national data to compare South Carolina with other states,

such as data provided by the state's Office and Research and Statistics. SCDHHS also uses fiscal comparative data to identify utilization and expenditure trends for policy planning.

4.5 How do you ensure data integrity, timeliness, accuracy, security and availability for decision-making?

Due to the broad scope of services managed by SCDHHS and the number of people affiliated with the program, the agency stands as a source of nearly limitless data measurement possibilities. The agency's Information Technology and Fiscal Affairs departments both play a vital role in ensuring data integrity, timeliness, accuracy, security and availability to support a range of consumers.

First, the agency's aforementioned acquisition of a decision support system further in providing timely and accurate information for policymakers. Such high-level data guides the agency in identifying key trends and uncovering areas for improvement in the Medicaid program.

In addition, the Bureau of Compliance and Performance Review works to ensure the integrity and accuracy of the processes and services behind the data. Strategies to protect data quality and ensure accessibility include reviews of comparative data and investigations of variances, access to providers to the data system via the Internet, and both internal and external audits. It should also be noted that no data is typically made public until it has been checked through multiple channels, ensuring accuracy and consistency.

Regarding security, the agency is committed to keeping Medicaid information confidential, as required by law under Health Insurance Portability and Accountability Act (HIPAA). SCDHHS has met all major HIPAA compliance deadlines and has conducted extensive outreach during the past year to help providers and other agencies meet HIPAA guidelines. Annual and ongoing HIPAA training for staff and new employees help ingrain a strong adherence to privacy laws as it applies to data. Technology is also in place that protects the agencies computer systems and servers from hackers and unauthorized users.

4.6 How do you translate organizational performance review findings into priorities for continuing improvement?

Performance review findings help pinpoint which agency functions need improvement. If reviews find deficiencies in key areas, those problems are given priority and changes, including resource allocation and/or staffing modifications, are implemented. Those changes will later be measured to see if the desired effect of improved performance was achieved. In addition, the Division of Audits conducts both internal and external audits for performance, compliance, and fiscal accountability and makes recommendations for improvement to agency executive staff.

4.7 How do you collect, transfer and maintain organization and employee knowledge? How do you identify and share best practices?

The collection and transfer of accumulated employee knowledge is managed in several ways. First, at the program level workers are provided on-the-job training and share knowledge and ideas tied to agency tasks. The adoption of a team approach has helped make knowledge transfer a standard part of daily staff interactions. Secondly, program level knowledge is shared at the bureau chief and deputy director levels, where agency-wide projects and strategic planning may require cross-departmental cooperation. At this executive staff level, the transfer of ideas is vital to ensuring efficient operations, eliminating duplicative efforts and setting the standard for future performance.

In SFY09, SCDHHS launched an internal "Wiki" site, where program staff can upload policy information that can be shared with the agency. This tool also allows for timely revisions of existing policies and procedures

Due to the geographic dispersion of staff, SCDHHS utilizes e-learning tools, such as web-based programs and interactive DVD presentations as part of its training. These tools can offer timely, cost-effective alternatives to face-to-face training methods.

Category 5 – Workforce Focus

5.1   How does management organize and measure work to enable your workforce to develop to their full potential, aligned with the organization's objectives, strategies, and action plans; and to promote cooperation, initiative, empowerment, teamwork, innovation and your desired organizational culture?

The Office of Human Resources plays a key role in facilitating workforce development. The Office coordinates a comprehensive state-wide training effort to develop the knowledge, skills and abilities of agency team members. The office offers basic and advanced Medicaid Eligibility Worker training, personal computer software applications such as Microsoft Office applications, The HHS Way (customer service), new employee orientation and special sessions of Medicaid systems (MEDS) training.

All managers must attend courses associated with the Associate Public Manager Program, which includes training in supervisory skills, coaching and time management. All supervisors are encouraged to attend Human Resources Essentials to further develop their human capital management skills. The agency regularly releases web-based multimedia presentations to employees that include messages from the director and policy information, such as anti-discrimination/anti-harassment policies.

5.2   How do you achieve effective communication and knowledge/skill/best practice sharing across departments, jobs, and locations? Give Examples.

- Communication among the agency's workforce members is facilitated in a variety of ways including the following:

- The Office of Human Resources sponsors monthly management meetings for upper management staff. The monthly meetings feature state director briefings, educational sessions, best practices sharing and reports on functional area activity.
- Eligibility Regional Administrators and Community Long Term Care Administrators convene monthly to share best practices.
- Program leaders regularly conduct moderated conference calls, teleconferencing sessions and web-based meetings.
- Various functional areas are using the Wiki concept to house program policy and procedures for internal agency use.
- Program areas are utilizing shared drives such as "web extender" on a routine basis to promote more collaborative and efficient work processes. The shared drives are secured so reports containing confidential information may be shared for managerial decision making, especially with regards to workforce planning

5.3   How does management recruit, hire, place and retain new employees? Describe any barriers that you may encounter.

The agency uses a variety of methods to attract, recruit and retain employees. SCDHHS enjoys a strong reputation as both a service provider and employer. The agency uses a variety of outreach methods to recruit and retain motivated and talented staff. These include:

- Regular participation in employment fairs throughout the state to attract potential team members;
- Implementation of the online recruitment and selection system called NeoGov. This web-based system streamlines the application process for both the applicant and hiring manager and has reduced the need for paper applications;
- Sponsorship of meaningful internships for active college students, recent college graduates and current high school students;
- Enhancement of the new employee transition by ensuring new staff has positive, successful experiences during their first 90 days of employment.

Due to budget difficulties in SFY09, SCDHHS maintains a 10percent position vacancy rate. This has slowed the recruitment of new hires.

5.4   How do you assess your workforce capability and capacity needs, including skills, competencies and staffing levels?

The Office of Human Resources uses a variety of tools to assess workforce needs, including web based survey instruments to identify information technology (e.g. personal computer applications, Medicaid reporting systems applications) training needs. SCDHHS also utilizes an online exit interview for employees separating employment. The survey allows the employee to provide observations on their experiences at the agency and provide constructive suggestions for improvement opportunities. The information is analyzed and issues brought to light are addressed.

The economic downturn environment has allowed SCDHHS to provide current employees the opportunity for reassignments to other areas where they may develop a better breadth of skill and experience. When the vertical move is less available because of the decreased employee turnover, the horizontal move allows talent to expand their knowledge and gain a wider perspective in their career.

5.5   How does your workforce performance management system including feedback to and from individual members of the workforce, support high performance work and contribute to the achievement of your action plans?

SCDHHS monitors employee performance through EPMS, which engages both the employee and supervisor to actively define, refine and rate job performance. The process is designed to keep channels of communication open and, by documenting optional objectives, allow for flexibility to adjust the report to accurately reflect actual work produced by employees. Managers are encouraged to re-write position descriptions when major changes are made to an employee's job duties.

5.6   How does your development and learning system for leaders address the following:

a) Development of personal leadership attributes

b) Development of organizational knowledge

c) Ethical practices

d) You core competencies, strategic challenges, and accomplishment of action plans

The Office of Human Resources and Executive Management facilitate Annual Management Retreats for leaders and managers, reaching from the executive level to those at Division organizational level. This year, *"The Leadership Journey: Reaching Your Maximum Potential"* was attended by 85 managers. The retreat featured nationally known speakers who delivered sessions on personal leadership and leading in times of change. The retreat also included presentations from senior management and program areas leaders on agency-wide initiatives such as Medicaid Transformation, Managed Care Enrollment, the Medicaid Transportation Contract, SCHIP expansion and alternate benefit pilot programs. Other learning opportunities include:

- This year Medicaid Eligibility supervisors participated in a two-day training initiative entitled, "The Medicaid Eligibility Supervisors Summit", to share best practices and learn new skills.
- A two-day practical supervisory training experience called "HR Essentials" for agency supervisors. Supervisors learn the key aspects of recruiting, managing and developing its workforce. This is the third phase of a five-year plan for on-going training for supervisors.
- All new and current supervisors must also complete the Associate Certified Public Manager Certificate program as the first prong of training.

5.7   How do you identify and address key developmental and training needs for your workforce, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training?

The agency uses training and development programs as a key tool to ensuring a knowledgeable workforce. Identifying training needs is an ongoing process at SCDHHS. Managers provide information to the Office Human Resources regarding employee progress and potential deficiencies or opportunities for growth. This occurs formally as part of EPMS and Human Resources works with the managers to target specific training avenues employees can pursue. Managers also recommend high-achieving employees for programs such as the Certified Public Managers' Program.

Employees are well oriented to agency policy and procedures through formal training (e.g. orientation, customer service, program training, E-Learning modules) as well as informal training such as one-on-one feedback sessions with supervisors and field trainers, mentoring and job shadowing.

The agency developed a web-based tutorial and acknowledgement to train all agency staff on the agency's anti-discrimination/anti-harassment policy. In SFY09, SCDHHS met 91.7percent of its affirmative action workforce goals, ranking 4th out of 19 total state agencies of comparable size.

Additionally, all new employees are enrolled in the agency customer service training, The HHS Way. Participants in the one-day course are introduced to and challenged to adopt the five key practices necessary to achieve positive work outcomes at SCDHHS: Be a Team Player, Practice Effective Communication, Be Courteous and Respectful, Demonstrate Professionalism, and Protect Privacy and Confidentiality.

5.8   How do you encourage on the job use of the new knowledge and skills?

When an employee has taken the initiative to acquire new skills, the leadership at SCDHHS tries to foster those skills by assigning pertinent work. Many times the new skill or knowledge that the employee has learned would enhance the division in which the employee belongs.

One new way the agency encourages the transfer of new knowledge and skills is to allow employees to create curriculum within their area of expertise and provide in-house training for other employees.

5.9   How does employee training contribute to the achievement of your action plans?

SCDHHS believes that training is ongoing process. Therefore, employees are continuously challenged to adopt new skills that contribute to the agencies goals and objectives New employee training contributes to the action plan by giving the new employee a step in the right direction. If employees start off with the right information, then they begin contributing to the agency's goal immediately.

Periodic training for employees is very important to the employees' growth.   The agency cannot grow if the employees' are stagnant in their learning. Growth is the backbone of any action plan as well as goal setting strategies.

5.10   How do you evaluate the effectiveness of your workforce and leader training and development systems?

All training contains an evaluative component in terms of content, organization and delivery. Training evaluations are reviewed and analyzed to determine participant satisfaction levels, to gather ideas for improving the training as well as to solicit ideas for additional training needs.

5.11   How do you motivate your workforce to develop and utilize their full potential?

Employees are motivated through a variety of methods designed to encourage teamwork, productivity and learning. As discussed, SCDHHS uses team building methods and a mentoring system to ensure employees are motivated both within their peer groups and from supervisors. They also become involved in planning and goal setting through the GO process. Employees are given incentives for outstanding performance.

The management of "fair pay" within the organization also is encouraged and closely monitored by the Office of Human Resources, which is essential to maintaining good employee morale. The agency continues to support three formal reward and recognition programs within the Bureaus of Local Eligibility Processing, Fiscal Affairs and Health Services. These programs reinforce and encourage positive employee performance through a variety of rewards and recognitions. Even in a challenging budget year, SCDHHS sponsored a successful, low-cost Employee Appreciation Week featuring a hotdog luncheon and team building excercises.

SCDHHS also offers a variety of work-life flexibilities to staff when feasible. The agency provides regular professional development opportunities, flexible work hours, promotes employee wellness programs and employee activities through the CHAMPS committee, telecommuting, daily business casual dress code and Friday casual dress.

5.12   What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you determine priorities for improvement?

As a capacity building initiative, The Office of Human Resources developed a workforce culture survey to assess the work environment and identify opportunities for improvement. The Office of Human Resources also developed a web-based exit interview process so that data from exiting employees can be more easily fed back in the improvement cycle.

SCDHHS encourages open lines of communication among employees, supervisors and executive staff. Aside from formal processes such as EPMS, the Office of Human Resources tracks turnover rates in positions to identify potential trends. Through the agency's open door managerial approach, employees are encouraged to bring grievances as well as suggest opportunities for change, which contributes to overall satisfaction. Suggestions can also be made anonymously, and these are tracked to help identify trends. The agency also regularly uses a web-based survey tool called Survey Monkey to obtain useful feedback and information from employees. The agency administered 26 surveys this fiscal year.

5.13   How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

Agency management encourages employees to participate in the many ongoing agency projects to facilitate on-the-job skill advancement and cross program mentoring opportunities from more senior staff.

5.14   How do you maintain a safe, secure and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)

The security division employs systems to ensure a safe work environment. SCDHHS uses magnetized card access, security cameras and guard service at the main entrance to increase safety. Recently, additional safeguards have been made to the current system to make it more efficient.

Upon entering the agency, all guests must sign in and receive a guest badge. Guests are not free to move about the building unattended by SCDHHS staff. This policy ensures the protection of staff and the sensitive data housed within the agency. The Office of Human Resources is also working with the Bureau of Administrative Services to create standard operating procedure for threats of violence in HHS offices.

The agency has paid particular attention to its role in the statewide network of responders and emergency personnel staff, and uses e-mail to send updates during times of natural disasters. The agency maintains a detailed emergency plan that can be used in case of disasters and participates in periodic drills to ensure disaster readiness.

In terms of health, SCDHHS strongly believes its employees should set an example for fostering good health and wellness initiatives. The agency's CHAMPS team brings various classes and screenings to the agency to encourage employees to monitor and promote healthy living. Activities like aerobics and yoga are available on-site during lunch hours. Many employees participate in efforts like the Columbia Shrink Down that promote good health.

SCDHHS also instituted a "Clean Sweep" initiative where all agency employees were challenged to unclutter, organize, and clean up their work environment. As a result of the initiative, the workplace is more organized, and functional, as well safer because a variety of potential safety hazards were identified and remedied.

Category 6 – Process Management

6.1 How do you determine, and what are your organization's core competencies and how do they relate to your mission, competitive environment, and action plan?

The organizations core competencies are based on the agency's tasks and goals, as well as the tools and resources SCDHHS needs and uses to accomplish the goals. SCDHHS' core competencies include:
- Providing comprehensive healthcare coverage
- Communicating to underserved populations that require medical assistance/coverage
- Data Analysis
- Streamlining expenses to keep administrative costs down

6.2 How do you determine and what are you key work process and produce, create or add value for your customers and your organization and how do they relate to your core competencies? How do you ensure these processes are used?

Since SCDHHS pays providers to deliver services to eligible beneficiaries, the agency's processes include mechanisms that support medical providers by managing the rates they are paid, and qualifying and supporting the people they serve. As a result of the *Healthy Connections Choices* program, the agency can better gauge the effectiveness of the healthcare delivery system through the use of nationally recognized quality measurements.

Key design and delivery processes include:

- MEDS (Medicaid Eligibility Determination System) – a program to ascertain eligibility of applicants;
- MMIS (Medicaid Management Information System) – the database of beneficiary demographics and usage information;
- Provider contracts and enrollment agreements – the arrangements that bring providers into the system;
- Governmental Accounting and Financial Reporting System (GAFRS) – the system that manages payments to providers;
- The use of external actuaries to set managed-care reimbursement rates;
- Private MCOs and Medical Homes Networks – other options of care delivery for beneficiaries designed to organize all aspects of their care under one provider's management (a "medical home"); and
- The toll-free beneficiary call line and provider service lines. These services, in addition to an internal letter response system, ensure timely and accurate answers to the public, legislators, media, provider partners and the people who rely on Medicaid for their health care needs.

6.3 How do you incorporate organizational knowledge, new technology, cost controls, and other efficiency and effectiveness factors such as cycle time into process design and delivery?

By filtering the agency's projects through the GO sheet tracking system, which requires project managers to examine the benefits and outcomes of pursuing initiatives, the agency is supporting the consideration of factors like technology, customer requirements, cost controls, etc. into the planning and design of agency pursuits. By looking at factors like potential savings, impact on beneficiaries, and positives/negatives/and other relevant information, employees must draw upon updated organizational knowledge and consider cost controls, new technology or changing customer requirements in process design and delivery.

In regard to existing and ongoing agency work, incorporating such knowledge in process design and delivery is ensured through constant assessment of workflow processes and outcomes. Such assessment is encouraged at the management level, where leaders frequently examine their program areas' outcomes and procedures. All employees are encouraged to utilize organizational knowledge, new technology and cost control elements in their work. Changing customer and mission-related requirements are incorporated whenever such changes are identified.

6.4 How does your day-to-day operation of these processes ensure meeting key performance requirements?

The design/delivery processes are all monitored at various levels. Many key supervisory employees are assigned to areas that allow them to both set major initiatives and remain close to the day-to-day processes. Therefore, frequent meeting between staff, supervisors, and the executive team ensure processes can be geared toward performance, and adjustments can be made if needed. On an executive level, the staff meets regularly to review processes and related outcomes.

6.5 How do you systematically evaluate and improve your key product and service related processes?

Evaluation of key products is an ongoing function at SCDHHS. In addition to frequent meetings between supervisory staff and employees, the agency closely monitors financial and eligibility data on a monthly basis to evaluate the impact of various policies. County office staff also interacts with Medicaid clients on a daily basis and report customer feedback. Key product and service related processes are periodically analyzed by several different divisions within the agency to evaluate their relative efficiency.

6.6 What are your key support processes, and how do you improve and update these processes to achieve better performance?

Due to the complexity and scope of services provided by SCDHHS, there are multitudes of support processes including health service units that support providers and customer service employees to support beneficiaries. There are processes designed to provide research support for new program development, existing program management and state and federal legislative developments. Agency wide, there are fiscal supports services that plan and budget, reimbursement systems that

ensure accurate payments, contracting and procurement divisions to support SCDHHS partnerships and purchasing. Other support processes include technology development and maintenance, legal counsel, internal audits and external fraud investigation and public information activities.

The employees working in these areas use customer feedback as well as internal data to provide more effective and efficient service. Bureau chiefs and executive staff have the ability to realign processes to better serve agency goals and objectives. As mentioned, the improved use of technology and enhanced access to data are important tools in achieving efficient and effective processes.

Category 7 – Results

7.1 What are your performance levels and trends for the key measures of mission accomplishment/ product and service performance that are important to your customers? How do your results compare to those of comparable organizations?

As mentioned in 4.3, the agency's four goals have several success indicators that will define the progress the agency makes toward the goals. For many of these, the measurement tools are being refined to capture the information for the success indicators criteria.

Goal: Provide a benefit plan that improves member health, is evidence based, and is market driven.

Success Indicators: Establish a baseline index of general health for Medicaid members relative to the general population; increase the number of consumer-driven, incentive-based medical homes; maintain average Medicaid expenditures below the growth rate of healthcare costs nationally.

Trend: SCDHHS is making the concepts of managed care, disease management and medical homes a reality for Medicaid beneficiaries. A process of enrolling beneficiaries into "medical homes" was launched in August 2007, and as of September 2009 there were more than 427,000 Medicaid beneficiaries enrolled into a health plan (MCO or MHN). In addition, by encouraging market-oriented mechanisms like incentive reimbursement and consumer-driven care, the agency is contributing to the trend of pursuing better health outcomes by implementing a value-based framework.

Goal: Provide a credible and continually improving eligibility process that is accurate and efficient.

Success Indicators: Establish a customer satisfaction survey baseline; average processing time compliance with federal processing guidelines; the percent accurately processed within federal requirements; establish average cost per application baseline.

Trend: The agency has instituted internal controls, managerial oversight, and investigative expansion to reduce and discourage inaccuracies, fraud and abuse within the eligibility determination system and ensure the integrity of the Medicaid rolls. Also, by focusing on the structure and processes of the eligibility function, with particular attention to the worker and the applicant, the agency is streamlining the process of determining who is properly eligible for Medicaid coverage. The agency also added a new asset test in SFY06 that closes eligibility loopholes for wealthy residents.

Goal: Provide administrative support at the best possible value to ensure programs operate effectively.

Success Indicators: realign the workforce to maximize savings while containing administrative cost to less than 3percent of the program; establish an internal customer satisfaction survey baseline; provide at least ten examples of substantial savings and/or process improvements as a result of leveraging technology; enhance savings by 10percent by expanding the number of fraud and abuse reviews, audit and compliance reviews.

Trend: By encouraging accountability in delivering the Medicaid program, SCDHHS is strengthening a culture of efficiency among the employees and other partners who form the Medicaid infrastructure. Marked increases in fraud and abuse investigations and punitive actions/collections (more than $22 million is SFY09) as well as significant decreases in operating expenses help instill public confidence in the Medicaid program.

7.2 What are your performance levels and trends for the key measures of customer satisfaction and dissatisfaction (a customer is defined as an actual or potential user of your organization's products or services)? How do your results compare to those of comparable organizations?
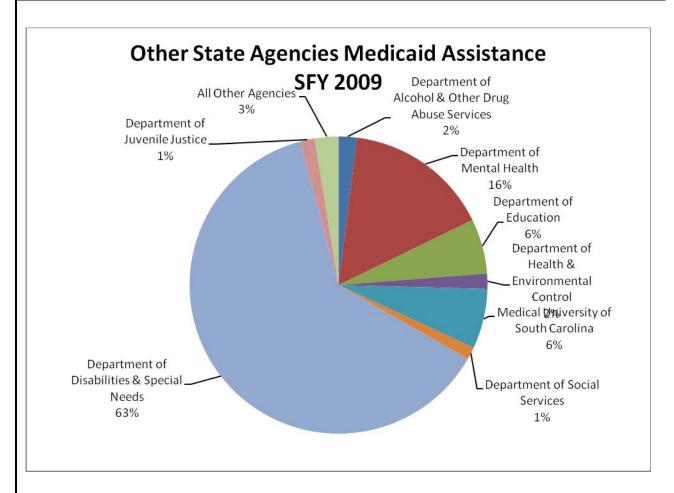
Please refer to Section 3, "Customer Focus."

In terms of trends, tracking customer satisfaction and implementing related processes to support satisfaction is becoming easier and more effective with advancing technology. The agency predicts the trend to improve its' future services.
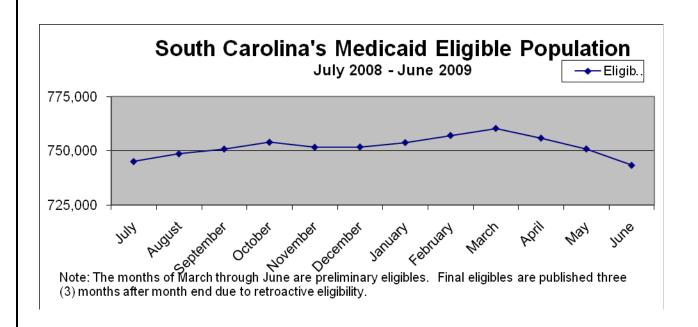
7.3 What are your performance levels for the key measures of financial performance, including measures of cost containment, as appropriate?

During SFY09, SCDHHS aggressively focused on cost containment and programmatic controls to ensure Medicaid operated within its allotted budget. This included making difficult decisions regarding services available to beneficiaries and staffing levels. As mentioned in the Executive Summary, the agency also decreased other operating expenses by 45 percent in SFY09.

 It should be noted that despite these successes, the agency still faces significant challenges in the years to come in terms of containing costs and growth. These challenges are partly based on an expected federal expansion of Medicaid eligibility, but also on increased utilization of services, rising pharmaceutical costs and health related inflationary factors.
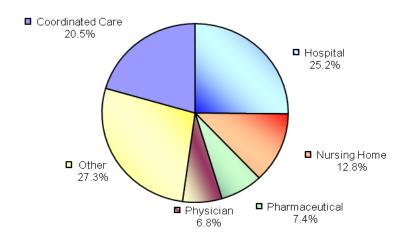
Graphs and Charts
Measures of Agency-Wide Performance

Other State Agencies Medicaid Assistance
SFY 2009

All Other Agencies
3%

Department of
Juvenile Justice
1%

Department of
Alcohol & Other Drug
Abuse Services
2%

Department of
Mental Health
16%

Department of
Education
6%

Department of
Health &
Environmental
Control
1%

Medical University of
South Carolina
6%

Department of
Disabilities & Special
Needs
63%

Department of Social
Services
1%

Graph 7.3-1

South Carolina's Medicaid Eligible Population
July 2008 - June 2009

Note: The months of March through June are preliminary eligibles. Final eligibles are published three (3) months after month end due to retroactive eligibility.

Graph 7.3-2

DHHS Medicaid Expenditures by Service
For Period Ending June 30, 2009
(Does not include other state agencies)

- Coordinated Care 20.5%
- Hospital 25.2%
- Nursing Home 12.8%
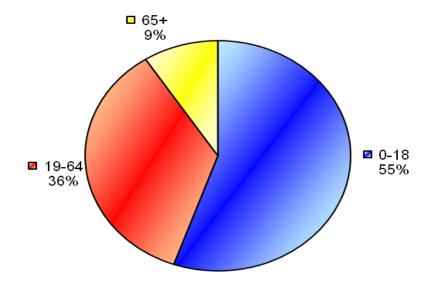- Pharmaceutical 7.4%
- Physician 6.8%
- Other 27.3%

Note: Hospital expenditures do not include disproportionate share payments.
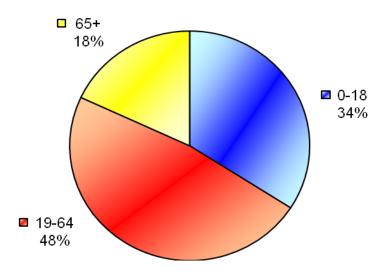
Graph 7.3-3

Eligibles to Gross Paid Claims by Age
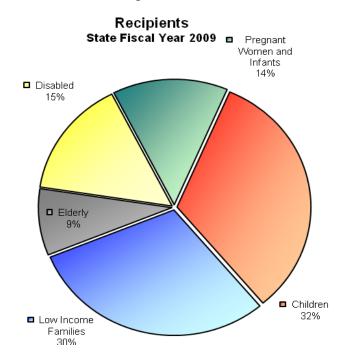Graph 7.3-4

Eligibles
State Fiscal Year 2009

65+
9%

19-64
36%

0-18
55%

Eligibles are preliminary due to retroactive

Gross Paid Claims
State Fiscal Year 2009

65+
18%

0-18
34%

19-64
48%

Recipients to Gross Paid Claims by Major Category
Graph 7.3-5

Recipients
State Fiscal Year 2009

- Pregnant Women and Infants 14%
- Disabled 15%
- Elderly 9%
- Low Income Families 30%
- Children 32%

Gross Paid Claims
State Fiscal Year 2009

- Pregnant Women and Infants 11%
- Disabled 43%
- Children 12%
- Low Income Families 16%
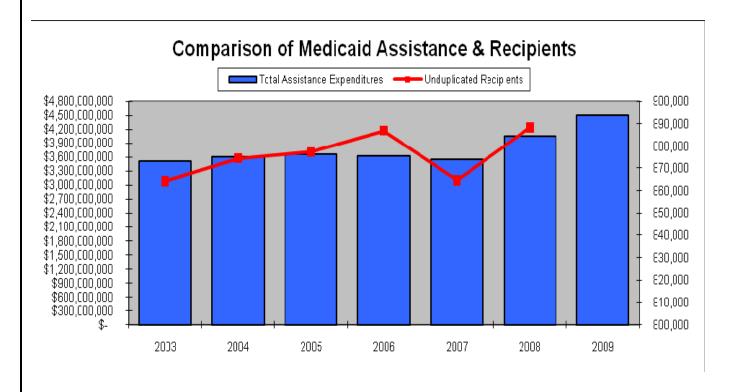- Elderly 18%

Graph 7.3-6

Graph 7.3-8

7.4 What are your performance levels and trends for the key measures of workforce engagement, workforce satisfaction, the development of your workforce, including leaders, workforce retention, workforce climate including workplace health, safety, and security?

As mentioned in Section 5, the agency uses a variety of instruments to improve and measure workforce satisfaction, development and safety. Including, but not limited to:

- The CHAMPS Committee
- Employee recognition awards
- Satisfaction surveys and interviews
- EPMS
- Enhanced security and safety measure
- Employee fitness initiatives
- Training and educational development opportunities

7.5 What are your performance levels and trends for the key measures of organizational effectiveness/ operational efficiency, and work system performance (these could include measures related to the following: product, service, and work system innovation rates and improvement results; improvements to cycle time; supplier and partner performance; and results related to emergency drills or exercise)?

SCDHHS tracks performance of these measures in a number of ways. For example, the agency gathers data from MCOs and MHNs that examines the effectives of beneficiary care coordination. The Health Care Effectiveness Data and Information Set (HEDIS) are nationally recognized data that measures plan effectiveness. See page 48 for a sample HEDIS chart.

7.6 What are your performance levels and trends for the key measures of regulatory/ legal compliance and community support?

The Office of General Counsel represents the agency in state and federal courts and administrative hearings, and advises the director and staff on legal matters pertaining to the agency. SCDHHS is subject to state and federal laws and regulations in its operation of the Medicaid program.

Developments in the law, such as HIPAA privacy and standardization and security federal regulations, which could have precipitated such challenges, have been anticipated and actively met through the agency's history of engaging the affected stakeholders and implementing needed operating. The agency's audit processes ensure compliance and adherence to state and federal laws and regulations as required by contracts with partners, such as providers and vendors.

Healthcare Effectiveness Data and Information Set (HEDIS) Measures	Plan A	Plan B	Plan C	FFS	National Medicaid Benchmark
Well Child Visits in the First 15 Months					
Rate	72.24	83.83	91.95	67.6	N/A
Ambulatory Care- ER Visits Visits/100 Member Months					
Ages <1	68.8	18.1	102.7	84.3	94.9
Ages 1-9	37.7	13.4	61.1	48.5	47.6
Ages 10-19	30.8	12	56.4	45	37.1
Total	38.2	13.2	63.2	50.6	
Cervical Cancer Screening (% of women 21-64 who received one or more PAP test in FY2006 and FY2007					
Rate	33.11	38.45	36.66	28.9	65
Breast Cancer Screening					
Rate	29	38.9	43.2	27.7	53.9
Comprehensive Diabetes Care % of members 18-75					
HbA1c Testing	46.4	68	74.3	58.2	76.2
Eye Exam (retinal) performed	89.2	93	89.1	88.3	48.6
LDL-C Screening	40.7	56.4	73.7	49.5	80.5
Medical Attention for Nephropathy	68.6	82.5	78.2	67.5	48.8
Use of Appropriate Medications for people with Asthma					
Ages 5-9	81.8	68.4	80.4	73.1	88
Ages 10-17	60	71.3	82.4	78	85.6

HEDIS Measure Chart