

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	033



Fiscal Year 2014-15 Accountability Report

SUBMISSION FORM

AGENCY MISSION	To purchase the most health for our citizens in need at the least possible cost for taxpayers.
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Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
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I have reviewed and approved the enclosed FY 2014-15 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN/DATE):	 September 15, 2015
(TYPE/PRINT NAME):	Christian L. Soura

BOARD/CMSN CHAIR (SIGN/DATE):	N/A
(TYPE/PRINT NAME):	

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AGENCY’S DISCUSSION AND ANALYSIS

Leadership

The vision of the South Carolina Department of Health and Human Services is to be a responsive and innovative organization that continuously improves the health of South Carolina. Values and performance expectations are defined and communicated through several mechanisms, the centerpiece of which is the agency’s Balanced Scorecard. For purposes of this “Agency’s Discussion and Analysis,” the Balanced Scorecard’s versions of the agency’s objectives and success factors are employed; this strongly align with the measures identified in this year’s Accountability Report.

The Balanced Scorecard highlights a dozen key goals for the upcoming year, with three items assigned to each of the four following categories:

- Better Health
- Outstanding Member Services
- Sound Fiscal Stewardship
- Responsive and Responsible Management

Although these headings have been revised since last year, many of the themes and the individual performance measures have been preserved in concept, if not in specific form. For instance, several measures are being changed in the upcoming year to conform to the “SMART” criteria required by the Accountability Report. Not only are many of these performance measures incorporated into the agency’s annual Accountability Report; they are also discussed at quarterly meetings of agency managers and supervisors (Leadership Development Reviews) and updated on intranet sites available to agency employees.

Values and performance expectations are further disseminated through personal interaction with agency employees (in group and/or individual settings) and through the performance management process. Since his November 2014 appointment, the Director has visited 36 county offices in order to establish this relationship.

- Objective 1A: Complete the revision of the Balanced Scorecard and communicate it to the agency.
 - Success Factor 1A1: Complete the revision of the Balanced Scorecard by September 15, 2015 and annually thereafter.
 - Success Factor 1A2: Explain the changes during the November 2015 Leadership Development Retreat and ensure that regular updates are provided through subsequent LDRs and other agency-wide communications.
- Objective 1B: Establish personal contact with all of the Department’s offices to further communicate the agency’s vision, values, and performance expectations.
 - Success Factor 1B1: Maintain a schedule by which all departmental offices will be visited no later than December 31, 2016.

Strategic Planning

The Department’s strategic objectives are derived from its legal obligations as enshrined in state and federal law, regulation, and other administrative issuances. These obligations are operationalized into more specific workplans based upon shorter-term priorities established through proviso or other budgetary instrument or in

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order to ensure compliance with the ever-evolving body of federal regulations and other policy guidance from the Centers for Medicare and Medicaid Services, among other legal authorities.

Against this legal backdrop, the Department strives to develop and implement plans in a manner that is consistent with the Institute for Healthcare Improvement’s “Triple Aim,” which seeks to improve the health of the population, enhance the patient experience of care, and reduce the per-capita cost of care.

Plans are developed and implemented through the normal operations of the agency; information is shared among agency leadership, managers, and rank-and-file employees through standing and ad hoc meetings, informal discussions, and through intranet sites (such as SharePoint) and other media. Meetings are established with a goal being to ensure that the appropriate staff and program areas are consulted and have an opportunity to participate in the decision-making process, while being spaced so that each meeting has a specific purpose and to prevent “meeting creep” from consuming so much time that employees are left without hours in which to actually execute on these plans.

The agency’s plans can be revised through several of these settings, and will be escalated to a level within the agency that is commensurate with the sensitivity and importance of the matter at hand. Sufficiently disruptive changes may require additional consultation with the Governor’s Office, the General Assembly, or various federal authorities. Matters such as these are likely to rise to the level that they would need to be addressed in future iterations of the Balanced Scorecard, the Accountability Report, or subsequent budgets.

Accomplishments are measured and sustained through each of these mechanisms and venues described above and also, for more “micro-level” accomplishments, through the employee performance management process.

- Objective 2A: Complete the revision of the Balanced Scorecard and communicate it to the agency.
 - Success Factor 2A1: Complete the revision of the Balanced Scorecard by September 15, 2015 and annually thereafter.
 - Success Factor 2A2: Explain the changes during the November 2015 Leadership Development Retreat and ensure that regular updates are provided through subsequent LDRs and other agency-wide communications.

[Note: Objective 2A is identical to Objective 1A, since these same activities and success factors are associated with both Leadership and Strategic Planning.]

Customer Focus

In the purest sense, the Department’s customers are South Carolina’s one million Medicaid beneficiaries. Applicants and the authorized representatives of our applicants and beneficiaries are in a similar position. Certainly the Department has other stakeholders, such as the state’s hospital and healthcare systems, the provider community, the managed care plans, and the friends, families, and caregivers of those we serve. Other parties, such as the Department’s vendors and other health-related state agencies are also part of the same ecosystem.

The needs and requirements of these entities are in some cases defined in the Medicaid state plan and/or in one or more federally-approved waivers. They are also communicated through in-person meetings or through the platforms or requests presented by various trade associations or advocacy groups. The expectations of these individuals and associations are also presented in these same ways.

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The Department’s performance against these expectations is measured through several items that are presented on the Balanced Scorecard. We also use performance-based contract reports and various dashboards to monitor these trends.

- Objective 3A: Provide outstanding service to our members and applicants.
 - Success Factor 3A1: Increase the rates of single-touch case resolutions for applications and reviews by 10%.
 - Success Factor 3A2: Increase the number of online applications by 10%.
 - Success Factor 3A3: Increase the one-hour resolution rate for walk-in services by 10%.
- Objective 3B: Demonstrate responsiveness to Medicaid providers and vendors through prompt processing.
 - Success Factor 3B1: Process 99% of electronic claims submissions within 14 days.
 - Success Factor 3B2: Process 99% of provider applications within 30 days.

Workforce Focus/Human Resources

On an individual level, employee performance is assessed and directed through an annual review process that is similar to that which is carried out all across state government. At a higher level, the Department has created some unique training and development opportunities that were custom-tailored in order to provide the Medicaid workforce with multiple paths to grow and to actively participate in the agency’s planning and execution.

Every fall, all HHS employees are invited to participate in the Annual Engagement Survey, which allows employees to anonymously comment on their connection to the agency, their immediate supervisors, and the agency’s leadership. They may also provide additional comments on what is and what is not perceived to be working within HHS. This survey is enormously helpful to setting the Department’s direction for the upcoming year, for enabling employees to feel valued and appreciated, and for developing ideas for future workforce development initiatives.

The Department also recently launched the Leadership Academy program, which offers a series of modules that help the agency’s supervisors make the transition from being managers to becoming leaders.

Finally, as noted in the discussion of other objectives, the quarterly Leadership Development Reviews have a workforce development focus and are also used as opportunities to remind managers of the agency’s priorities and of recent progress against the Balanced Scorecard.

- Objective 4A: Keep employees actively involved in and attached to the agency’s work by conducting an Annual Engagement Survey and ensuring that leadership’s decisions are informed by the survey results.
 - Success Factor 4A1: Improve employee engagement scores by 5%.

Process Management/Continuous Improvement

Although this document treats “process management and continuous improvement” as a distinct objective, if these priorities are being afforded the attention they deserve, then they should be treated more as a cross-cutting theme that should be present in the discussion of all other objectives. We should be asking how do we continuously improve our financial management, workforce planning, customer focus, etc.?

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These questions are thoroughly and repeatedly explored by the agency’s senior management at each discussion of the Balanced Scorecard, where we ask whether we are measuring the things that truly matter, whether we have operationalized them correctly, and whether we are potentially misinterpreting the results we have seen so far.

To ensure that this spirit is communicated throughout the organization, HHS has the Leadership Development Retreats, the Annual Engagement Survey, and the “Bright Ideas” program through which employees can offer suggestions for quality improvement that are promptly vetted by the relevant staff. We are also preparing to announce a Spot Bonus program to help attract and reward additional suggestions.

- Objective 5A: Provide outstanding service to our members and applicants.
 - Success Factor 5A1: Increase the rates of single-touch case resolutions for applications and reviews by 10%.
 - Success Factor 5A2: Increase the number of online applications by 10%.
 - Success Factor 5A3: Increase the one-hour resolution rate for walk-in services by 10%.
- Objective 5B: Demonstrate responsiveness to Medicaid providers and vendors through prompt processing.
 - Success Factor 5B1: Process 99% of electronic claims submissions within 14 days.
 - Success Factor 5B2: Process 99% of provider applications within 30 days.

[Note: Objectives 5A and 5B are identical to Objectives 3A and 3B, since our current process management and continuous improvement efforts are so strongly connected to the ongoing transition to a new eligibility system.]

Financial Management

The South Carolina Department of Health and Human Services is ultimately a healthcare policy and financing agency; without sound financial management, the Department will be unable to meet its commitments to its one million beneficiaries.

The Department must ensure that it retains adequate working capital in order to pay its bills in a timely manner. Similarly, cost growth must be contained so that Medicaid expenditures don’t force the Governor and the General Assembly to sacrifice whatever additional investments may be required in the education, infrastructure, or other policy arenas. Finally, the Department must also develop a series of policies, controls, and investigative/recovery mechanisms that deter or otherwise combat waste, fraud, and abuse.

- Objective 6A: Demonstrate sound fiscal stewardship of the Medicaid program.
 - Success Factor 6A1: Maintain General Fund expenditures within 3% of forecast.
 - Success Factor 6A2: Keep per-member cost increases below national benchmarks.
 - Success Factor 6A3: Increase the percentage of expenditures analyzed for third-party liability by 5%.

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Senior-Level Organization Chart

