

County of Santa Clara Social Services Agency Administration



SSA06 092909

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DATE: September 29, 2009

TO: Board of Supervisors

FROM: 
Will Lightbourne
Agency Director, Social Services Agency

SUBJECT: Delegation of Authority to Negotiate an Agreement with InTelegy Corporation

RECOMMENDED ACTION

Approve delegation of authority to the Director of the Social Services Agency, or designee, to negotiate a sole source Agreement with InTelegy Corporation to provide consulting services for the design and implementation of a Centralized Call Center model and related intake and ongoing eligibility program processes, including the modifications of the centralized Integrated Document Management System for the Department of Employment and Benefits Services in an amount not to exceed \$500,000 over a three-year contract period. Delegation of Authority will be for the period beginning on September 30, 2009 through October 31, 2009. Delegation of authority shall expire on October 31, 2009.

FISCAL IMPLICATIONS

There is no negative impact to the County General Fund as a result of the Recommended Action. The expense and revenue distribution for the multi-year contract, in an amount not to exceed \$500,000, will be:

Year	Expenditure	Revenue	Net County Cost
FY 2010	\$160,000.00	\$52,800.00	\$107,200.00
FY 2011	\$290,000.00	\$95,700.00	\$194,300.00
FY 2012	\$50,000.00	\$16,500.00	\$33,500.00
TOTAL	\$500,000.00	\$165,000.00	\$335,000.00

The cost and revenue associated with the current FY 2010 contract with InTelegy Corporation in the amount of \$235,645.00 is included in the Agency's approved budget. The cost and revenue for the Recommended Action in FY 2010 is also included in the Agency's approved budget. The cost and revenue for FY 2011 and FY 2012 will be included in the Agency's current level budget (CLB) for each fiscal year.

CONTRACT HISTORY

The Social Services Agency (SSA) currently has a contract with InTelegy Corporation for the period May 2009 through June 2010 in an amount not to exceed \$235,645. This contract is for consulting services supporting the design and implementation of an expanded eligibility redetermination call center. Currently, Medi-Cal eligibility redeterminations are done by the Medi-Cal Service Center (MCSC) using a call center model. Other benefits redetermination work employs a case worker/static case load model. In the 2009-2010 engagement, InTelegy Corporation is assisting SSA with the transition of the Non-Assistance Food Stamp caseload to the existing MCSC call center. This business model change is consistent with the recommendations made in the May 2009 Harvey Rose audit of the Department of Employment and Benefits Services.

The Social Services Agency also contracted with InTelegy Corporation for the period of December 22, 2008 through April 30, 2009 in the amount of \$99,900. That contract supported an assessment of the efficiency of the business model used in MCSC.

REASONS FOR RECOMMENDATION

In accordance with the Board of Supervisors policy for entering into Agreements when the cumulative total exceeds \$100,000 per provider, per budget unit per fiscal year, the Social Services Agency is requesting delegation of authority to negotiate an Agreement with InTelegy Corporation which will result in the provider exceeding the cumulative total of \$100,000 for FY 2010. Delegation of authority will allow the Social Service Agency Director to negotiate an additional new multi-year contract in an amount not to exceed \$500,000.00. Upon completion of negotiations, the Social Services Agency will request delegation of authority from the Board of Supervisors to execute, amend and terminate an Agreement.

The Social Services Agency is requesting Board of Supervisors approval to enter into negotiations with a sole source provider due to the high need for a consultant with experience in Social Services, call center strategy, technology and operations, document imaging, business process design and project management. Ideally the consultant would be local to avoid travel costs and associated time.

The work required of the consultant is:

- Development of a Strategy and Plan to execute the project in phases.
- Onsite consulting to facilitate the county resources to implement the plan.
- Review County work and deliver call center expertise in the design and implementation of the plan.

After investigation through speaking with other Social Services Agencies (San Mateo, San Francisco, Sacramento, Tulare), and drawing upon industry experts from outside of social services coupled with current Santa Clara County satisfaction with the work performed by InTelegy Corporation, it is our belief that InTelegy Corporation is uniquely qualified to implement the consulting services work required.

InTelegy Corporation has implemented similar plans focused on the development of call center models in social service agencies in nine Bay Area Counties (San Mateo, Santa Cruz, San Francisco, Sonoma, Tulare, Sacramento, Santa Barbara County, Contra Costa County, Monterey). They are "Call Center" experts with a deep understanding of Social Services practices, regulatory factors, and work flow designs. In addition, InTelegy Corporation assisted Santa Clara County with the implementation of the Medi-Cal Service Center in 2004, which has proven to be quite effective and efficient.

InTelegy Corporation has worked closely with the technology infrastructure in Santa Clara County: Filenet, VOIP, IVR, ACD, and Task Tracking and has experience with the technology required for the new business model such as appointment setting software, image capture and multi-site disaster recovery requirements. Due to the large amount of work that InTelegy Corporation performs with the County Social Service organizations, their understanding of the regulatory, operational and technological needs of these organizations is superior. No other firm that we are able to identify has the unique qualifications of InTelegy Corporation.

The Social Services Agency is directly forwarding the recommended action to the full Board of Supervisors to initiate negotiations on time. The recommended action has received a favorable report from the Children, Senior, and Families Committee (CSFC) meeting on September 21, 2009.

BACKGROUND

The Department of Employment and Benefit Services (DEBS) is charged with assuring the timely and accurate determination of public benefits eligibility for applicants and the delivery of work programs to public benefits recipients. DEBS serves over 300,000 clients a year. These activities are mandated services and are driven by State and Federal regulations.

Santa Clara County has historically implemented these programs in a caseworker/static caseload model. Over time, however, the client needs have repeatedly overwhelmed the program's capacity to serve the community effectively. In 2004, the caseload had far outgrown staff resources. There were approximately 30,000 unassigned cases and 15,000 overdue Medi-Cal redeterminations. To address this, the Medi-Cal Service Center, based on a call center task-based work flow model, was designed and implemented. This temporarily addressed the burgeoning caseload. Over time, however, the caseload has again outgrown staffing capacity, and the Department has approximately 8,600 unduplicated cases (representing 17,000 unassigned unique program counts.) In the past year, SSA has engaged in a redesign of the call center to accommodate another set of clients, those receiving Non-Assistance Food Stamps (NAFS). This will reduce the cases in the continuing caseload and thus make room for the unassigned cases in the continuing worker caseload. InTelegy has been a critical resource for SSA in this process.

However, while the addition of the NAFS cases to the Benefits Services Center in November will eliminate the uncovered continuing caseload, the local economy has continued to decline and the resulting increase in community

need has pushed the benefits intake system to over saturation. The current wait for an intake appointment ranges from 20 -25 days, depending on location. Thus all points of the eligibility determination "pipeline" are stressed and unable to keep pace with demand. To address this growth within the current business model would require the addition of significant staff resources that the funding simply does not support.

To address this, SSA and DEBS leadership have intently focused on developing alternate business models to achieve the levels of efficiency and effectiveness in the work model needed to assure client access in a timely manner while using available resources in the most effective manner.

The requested delegation of authority will support DEBS most recent initiative to centralize and streamline the department's business processes. This current effort is based on a multiyear history of improvements, which will be described later, and is given urgency by the current dire local economic consequences of the recession.

Planned Business Process Redesign Effort

The business process redesign that this contract will support is focused on leveraging technology, recent centralization efforts, and the existing DEBS call center model to create a new department wide work flow for benefits determination. This new work flow increases client access to basic information, appointment services, and other supports through an automated telephonic customer support system, leverages centralized clerical services, and further expands the use of the business model for client activity that has proven successful in the DEBS call center.

The contract will be performed in three Phases. Phase 1 includes the maximization of centralized clerical functions. This phase will take components of a previously implemented clerical business process improvement project to scale. Phase 1 will also include the modification of other components of the model to reduce the handling of paper and promote timely entry of documents into the client record.

Phase 2 involves planning the design of a centralized client contact management center, a new client intake process, and a process facilitating the integration of these new elements into existing program based DEBS services such as the CalWORKS employment program. The redesigned intake process will expand the existing call center model and shift the majority of intake work from a case worker/static caseload model to a task based model.

The need to increase efficiencies in the intake caseload model is supported by the May 2009 Harvey Rose audit of the DEBS programs. In this audit, inefficiencies were identified in the DEBS intake processes. These inefficiencies included impacts such as high overtime costs, high client wait times, and poor application completion rates. Recommendations for improvements were made in the audit and were later accepted by the Finance and Government Operations Committee as well as by the full Board of Supervisors.

Phase 3 will focus on implementation of the plans designed in Phase 2. The business process redesign project is expected to take between 24 and 36 months to complete. Attachment 1 contains the initial projected timeline that is subject to negotiation.

Economic Impact on DEBS

The economic recession of the past two years has had dramatic impact on the demand for DEBS services. The unemployment rate in Santa Clara County has skyrocketed, reaching nearly 12% in the summer of 2009. The County unemployment rate has exceeded the national average and has run parallel to that of California in general, and, of note, California's unemployment rate is among the highest in the country. Currently the Santa Clara County unemployment rate is 11.7%. In addition, as the first group of individuals impacted by the loss of jobs in 2008 "time out" of unemployment benefits, a new wave of benefits applicants is expected to be seen.

To date the rate of applications continues to grow. Between July 2008 and July 2009, Medi-Cal applications have grown 7.6%, CalWORKS cases have grown 11.2%, and Food Stamps only cases have grown 27.7%. The impact of the recession on community need is clear.

In contrast the funding for the administration of DEBS services is diminishing.

"Human Services in a Time of Economic Crisis", a report done collaboratively by the California Welfare Directors Association and the California State Association of Counties, describes the impact of decreased funding for Social Service programs in California. This report was presented to the Board of Supervisors on April 21, 2009 by the Director of the Social Services Agency, and John Haverman, the author of an economic analysis from Beacon Economics titled "Spending on County Human Services Programs in California: An Evaluation of Economic Impact". One focus of this report was that of the increasing funding deficit for Social Services in California. Specifically that the funding for County services supporting the administration of CalWORKS and Non-assistance Food Stamps programs had not been afforded a cost of doing business (CODB) increase in the State budget for eight years. The cumulative impact of these eight years with no CODB for Santa Clara County alone was estimated to be 37.3 million dollars. The impact of this has been that the need and the demand for services have far outstripped the available resources within the DEBS program.

The combined impact of these factors creates an untenable situation for the Social Services Agency. As the community demand and need for services grows, and the funding for services decreases, wait times for applicants in critical need of assistance lengthen. To address this growth within the current business model would require the addition of significant staff resources that the funding simply does not support.

To address this, SSA and DEBS leadership has intently focused on developing alternate business models to achieve the levels of efficiency and effectiveness in the work model needed to assure client access in a timely manner while using available resources in the most effective manner.

History of DEBS Business Process Improvements

In 2004 DEBS implemented a new business process model for one component of its eligibility determination program, Medi-Cal eligibility determination. This change yielded a new Bureau—the Medi-Cal Service Center (MCSC). This center implemented a task-based/banked caseload work process. This change, in essence, shifted the eligibility worker's attention to the cases that have activities due, or to those clients who have an immediate need for assistance. This shift has proven to be very effective in terms of assuring efficiency, effectiveness and accuracy. For instance MCSC has:

- A high accuracy rate. In the Federally mandated Medi-Cal Eligibility Quality

Control Review of August 2009, it was 95.1%.

- The highest telephone service level and the lowest average speed of answer among

typical service centers. 25 seconds in MCSC vs. 77 seconds elsewhere

- The highest redetermination completion rate among California Service Centers

94% vs. the next highest 87%

During the past six years, DEBS has also seen the implementation of technological supports. One of the most significant changes was the implementation of CalWIN, an electronic decision support tool. CalWIN, the statewide eligibility computer application, takes data, input by the eligibility worker, and calculates eligibility based on complex formulas. This work was previously done by hand. CalWIN has impacted timeliness and accuracy of determinations and has

provided a data reporting tool to assure effective management oversight of the determination process.

Along with CalWIN came the implementation of the electronic client record. Integrated Document Imaging (IDM) was employed to create a centralized repository of client information that allowed easy, instant access to client eligibility information. This supported the implementation of a task-based eligibility determination system through the virtual centralization of client information.

These changes have been implemented and improved upon over the years. As these changes have become embedded in DEBS processes, additional attention was given to identifying opportunities to develop work process efficiencies. Two years ago a Clerical Business Process Improvement project that focused on centralizing support services was undertaken. The targeted activities included:

- Centralizing mail functions
- Centralizing document imaging (IDM) processes
- Centralizing the application registration in the CalWIN system
- Implementing Voice Over Internet Protocol (VOIP) to support advanced

telephone capacity and reduce overall telephone costs

- Implementing e-fax capability to automate the movement of paper

Centralization of the mail room processes is complete. The centralization of the IDM processes is in pilot phase and is currently being evaluated for modifications that will be required to take the pilot to scale. These modifications are a part of the proposed consulting arrangement with InTelegy Corporation. Implementation of VOIP is 75% complete and has provided the foundation for taking the critical next steps in achieving efficiencies in DEBS business processes. Complete implementation is expected by the turn of the year.

The VOIP implementation serves as the foundation for the implementation of the Interactive Voice Response system or IVR. The IVR is in initial stages of planning. When implemented, this tool (IVR) will allow callers to be directed to information and assistance through interactive telephone trees. These systems are widely used and so should be a familiar aid to clients who call in for information about their case status, appointments and basic eligibility information. The IVR will form the backbone for the centralized Client Management Center, and will automate some activities that are informational in nature and will focus the eligibility workers client contact time on critical benefits issuance functions.

CONSEQUENCES OF NEGATIVE ACTION

Negative action will result in the Social Services Agency's inability to negotiate an Agreement with InTelegy Corporation.

STEPS FOLLOWING APPROVAL

The Clerk of the Board will follow the usual steps for a transmittal of this type.

ATTACHMENTS

- Attachment 1: Projected Timeline for DEBS Service Delivery Model Design