

Commission on Streamlining Government

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ADVISORY GROUP ON THE ELIMINATION OF DUPLICATIVE AND NON-ESSENTIAL SERVICES

APPROVED 10/06/09
MINUTES
MEETING OF
TUESDAY, September 22, 2009

I. CALL TO ORDER

A meeting of the Advisory Group on the Elimination of Duplicative and Non-Essential Services was held on Tuesday, September 22, 2009 in Senate Committee Room A at the State Capitol in Baton Rouge, Louisiana. The chairman, Barry Erwin, called the meeting to order at 1:37 p.m.

II. ROLL CALL

The chairman called the roll and the following was noted:

MEMBERS PRESENT

Barry Erwin, Chairman
Senator Jack Donahue
Tony Gordon
J. H. "Jay" Campbell, Jr.
Evans Spiceland

MEMBERS ABSENT

STAFF PRESENT

Michelle Broussard-Johnson, Researcher
Shannon Simpson, Secretary
Mark Barnes, Budget Analyst
Renee Roberie, Legislative Auditor, Senior Auditor

WITNESSES:

None

III. DISCUSSION

Chairman Erwin made a motion to adopt minutes of September 8, 2009. There being no objection, the minutes were adopted.

Michelle Broussard Johnson discussed updating the committee binders and explained the documents in the members' and staff folders.

Mr. Gordon requested that all documents that staff prepares to be given to members of committee be date stamped.

DISCUSSION BY DHH

Charles Castille discussed expenditures and historical expenditures for long term care services or services that fall within long term care. Overall, the staff totaled up essentially what part of the DHH budget is spent on long term care. The entire DHH budget is about \$8.1 billion. About \$6.5 billion of that total is in medicaid. Based on the various appropriations' bill, the Office of Aging and Adult Services is primarily responsible for running the adult elderly and disable waivers. It runs two of the state operated nursing homes. They are also in charge of long term care PCS program. Their operational budget is about \$50.5 million. The Office for Citizens for Developmental Disabilities, which provides services not only in the developmental centers and services, provide for persons with developmental disabilities. They are also in charge of the NOW waiver and the Children's Choice Waiver. Their operational budget is about \$296 million. The funding for all waivers is in medicaid.

Mr. Castille discussed waivers:

- Adult Day Healthcare Waiver (medicaid) is services provided for elderly folks in out-of-home settings, but on a daily basis. The budget for this is about \$7.3 million.
- EDA Waiver is the elderly and disabled waiver and it provides services to people who are aging or who have adult onset disabilities. The budget for this waiver is about \$63.2 million.
- Long Term Care Personal Care Services program which is a medicaid program and the budget is \$242.6 million .
- NOW Waiver is the large developmental disability waiver which is administered by OCDD. The budget for this program is \$367.6 million.
- Children's Choice Waiver is a capped waiver for children. The budget for it is about \$10 million.

- Residential Option's Waiver which is not yet been implemented.
- Nursing Home Program (long term care) is about \$718 million.

In terms of all of the long term care programs the grand total in medicaid that is funded is about \$1.4 million, when you add also the services. Most of which are financed by medicaid. The grand total for long term care in the DHH budget is about \$1.75 billion (federal and state).

Mr. Castille discussed the historical expenditures of various waivers and explains the hand-outs.

Mr. Castille discussed the plans in place for the Office for Citizens with Developmental Disabilities. The overall budget is about \$292 million.

Senator Donahue discussed with Mr. Castille the closures and reduction in size of the public facilities. State operated facilities do tend to cost a bit more than privately run facilities.

Mr. Castille discussed that the way to save significant amounts with regard to any facility is eventually shut it down.

Senator Donahue discussed taking the population of some of the facilities and place them into public facilities so that there wouldn't been disparity of cost.

Senator Donahue discussed the NOW waivers and wants to know how many people are on the NOW waiver program waiting for services. Mr. Castille responded about 9,000 - 10,000.

Senator Donahue requested from Mr. Castille the number of slots available for the NOW waiver.

Mr. Castille discussed to save large amounts of money, the state would have to go to the medicaid program and look at what are the optional services and what are the mandatory services. Mandatory services under medicaid and under federal law are hospitals, nursing homes and physicians. ICF/DD services are not mandatory services. Waiver services are not mandatory services. ICF/DD, both community and institutional services, are not mandatory.

Chairman Erwin discussed closing institutions by 2012 and how it is determine what institution is closed.

Mr. Campbell discussed the medicaid chart handed out by Mr. Castille.

Mr. Spiceland discussed DHH's internal analysis report (August) and Mr. Castille's consideration regarding an implementation for a competitive bid process to redirect services from public health units to local providers such as Federally Qualified Health Centers (FQHC).

Mr. Gordon discussed eliminating and outsourcing the engineering and architectural part of DHH.

Chairman Erwin discussed with Mr. Castille the situation whereby DHH is paying for unused beds and is there some flexibility that the committee can look at.

LOUISIANA WORKFORCE COMMISSION AND DSS

Curt Eyesink discussed the relationship between LWC and DSS from the service delivery end. People who are receiving services from DSS to become work ready will flow to LWC in the pilot to be able to be placed for employment. The pilot is for those who are most work ready. LWC should have a full evaluation of this in 2010.

Kristy Nichols discussed that there are six or seven programs in DSS that have a workforce component. It includes support enforcement (child support collections), foster kids who are aging under the foster care system, individuals living with disabilities, cash assistance through the Family Independence Temporary Program (FITAP), and assistance through the food stamp program. Some or all of these programs have had some requirement on the beneficiary that they actually be in job training, actually working or looking for a job. The referral to the workforce commission and the link to their employment services as it relates to occupational forecasting linking people with jobs that the economy needs, helping them increase their living wage that supports their family, and move them into self sufficiency. These linkages have not been made in the past. DSS has divided their clients into three categories; those that need minimal support and that are job ready within 90 days; those who need midterm supports, this is a 3-6 month process; and those who need intensive services to join the workforce. There is a total of 137,000 food stamp recipients that are able bodied that should be working, looking for work or receiving job training. Only 44,000 are, 92,000 are not, that is because there is not job training that is specified for food stamp recipients in their area. This is where DSS thinks there is a point of collaboration that needs to exist. People that are receiving child care assistance that are looking for jobs, but essentially only have to self attest that they are looking for jobs. DHH perspective is around linking to the Workforce Commission core competency around workforce development and job readiness.

Mr. Eyesink discussed saving the cost of recruitment and the cost of outreach by connecting with DSS. DSS is providing the service that they are an expert at and LWC is providing the services that they are experts at. The ultimate beneficiary at low cost is a much better, broader impact for the recipients of the services, for the businesses that employ the clients and are going to need many more people in the workforce than are entering the workforce now and in years to come.

Mr. Campbell discussed the state departments having a common data base.

Mr. Eyesink discussed LWC's recommendation to the commission was to install a fraud detection system.

Kristy Nichols discussed that DSS has set forth an agenda to modernize and allow for a front end web base eligibility system where all of the public assistance programs have an eligibility component. It links into one common client index (master index). It is estimated that this would cost the state over the next three years around \$90 million and big share of this is federally funded. Fraud is estimated at a minimum of \$10 million.

Chairman Erwin discussed the idea of can DSS take some of its services that it provides in the workforce area and merge, as opposed to integrating with the LWC.

LOUISIANA LEGISLATIVE AUDITOR'S OFFICE

Renee Roberee discussed the comparison of areas of potential duplication identified by the Louisiana Legislative Auditor's office with areas of duplication identified by state agencies.

Renee Roberee discussed that the Louisiana Legislative Auditor's report is going to give dollar amounts of what programs from different agencies cost, but they will not make any recommendations.

DIVISION OF ADMINISTRATION, OFFICE OF FACILITY PLANNING

Jerry Jones discussed the management, maintenance and operations of buildings. The Office of State Buildings who is responsible for 40 buildings statewide, about 6 million square feet, and the outsourcing of these responsibilities. An RFP regarding the outsourcing will be out in October.

Jerry Jones discussed how state buildings are allocated. The commission allocates the buildings to the agencies (hand-out of the buildings that the state owns and summary report of the total amount of properties and square footage managed and owned by the state) and the building is managed and maintained by the different departments in state government. There is over 90 million square feet of space. The state leases a total of an additional 5,558,338 square feet of space across the different parishes in the state at a cost of \$66,365,544.98 per year. It services estimated number of occupants of 24, 495 in leased space, and it averages out to about \$10.84 square foot.

Jerry Jones discussed the tremendous deferred maintenance backlog in the state of the assets that is owned.

Mr. Campbell discussed the lease agreements, if they are standardized, and if they have any exit clauses. Jerry Jones responded that there is a subject to appropriations clause.

Mr. Campbell discussed downsizing leased space and what the savings would be.

Senator Donahue discussed a comparative analysis report from the Office of Facility Planning.

Mr. Spiceland discussed the agencies that have recommended the consolidation of various activities back in Baton Rouge and is there space or would the state have to lease space.

Mr. Spiceland discussed consolidating printing and is there any plans to use the space at the Gillis Long Center in Carville, Louisiana.

Jerry Jones discussed that DOA is going to go the state agencies and make sure they are using all of their space and if they are not, DOA is going to ask the agencies to give up the space. They are either going to surplus the agencies or use them for cross utilization of other agencies.

Chairman Erwin discussed the allocations and utilizations of state property.

ADJOURNMENT

Chairman Erwin made a motion to adjourn, without objection. There being no further business, the meeting was adjourned at 3:31 p.m.

APPROVED 10/06/09
Barry Erwin, *Chairman*

Date