STATUS REPORT-IMPLEMENTATION OF PURCHASE OF SERVICE REPORT RECOMMENDATIONS

Office of Policy and Management (OPM) March 18, 2014

Introduction and Table of Contents

In April 2013, the Purchase of Service (POS) Contracting Project Efficiency Office, established by OPM Secretary Barnes, issued its report recommending business process and organizational changes related to POS health and human service contracting. The focus of these POS contracting changes continues to be on streamlining, standardizing, automating and reducing costs and paperwork for both state agencies and non-profit providers. Some of the specific outcomes to be achieved through the recommendations include improved timeliness of contract executions, more efficient and effective payment and reporting processes and--most critically--a shift towards a stronger focus on performance and client outcomes.

Since April 2013, the six state POS agencies who were part of the project office have been working on implementing the recommendations in the April 2013 report. The purpose of this document is to summarize the status of these implementation efforts for each agency. The following Table of Contents identifies the major categories of recommended changes to POS contracting included in the report. More detailed responses received from agencies are included as attachments. It should be noted that since the project office was created, some new POS agencies have been established through agency reorganizations and consolidations, specifically the Departments of Rehabilitation Services, Housing and Aging and the Office of Early Childhood. While these departments were not part of the project office, the recommendations in this report will apply to the Central Contracts Unit in the Department of Mental Health and Addiction Services which will be handling the administrative and fiscal aspects of the POS contracts of these new agencies.

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A. Uniform Chart of Accounts and Financial Reporting

1. OPM shall coordinate and oversee development of **a standardized and more streamlined chart of accounts and electronic budget/reporting templates** for mandatory use by all human service agencies. Work on this new system is being done by OPM staff and contract experts from State human service agencies in consultation with private provider representatives. Implementation date: contracts commencing 7/1/14, with full implementation for contracts commencing 7/1/15.

STATUS: OPM is leading a work group of State POS agencies in developing a Uniform Chart of Accounts and a standardized electronic workbook (developed by DPH) for use by State agencies and providers in the development of budgets and financial reports. Outreach has occurred with provider representatives and policies and instructions are being developed. Training will be provide to State agency staff and providers. The system will be implemented for the State contract year commencing July 1, 2014 with full implementation by the contract year commencing July, 1, 2015.

2. **One Budget per Program**: Provider contract budgets will be consolidated to ensure that each funded program contains only one budget per funding period except where otherwise required by federal funding authorities.

STATUS: The report found that DCF, DOC, DDS, and DMHAS follow the recommended practice. The DPH and DSS responses follow:

- DPH is implementing this recommendation with the understanding that it cannot apply universally because DPH has some restricted funding that cannot be co-mingled with other funds given certain State or Federal grant requirements. However, a majority of DPH contractor budget reporting documents can and will be revised as contracts are renewed or amended.
- **DSS** will identify extent to which it currently uses multiple budgets per funding period per program, and reasons why, by **April 17,** with work plan developed for those without justification by **May 9, 2014.**

B. Enterprise Contracts Management System

1. OPM shall evaluate, purchase/design, and implement **a web-based contract management system for use by all human service agencies**. Such system should support contract assembly, provider interaction, electronic interfacing, and web-based budgeting, data and report submission, budget revisions, and year-end processing.

STATUS: OPM is will be hiring a consultant to develop business requirements and to develop a recommended system/approach re the development of an enterprise contracts management system for State POS agencies. The target date for hiring the consultant is May 1, 2014.

C. Creation of Central Contracts Unit for New POS Agencies

1. **Create shared-serviced central contracts unit** in DMHAS to handle contracting functions for the State Department on Aging, Department of Housing, Department of Rehabilitation Services and the Office of Early Childhood.

STATUS: DMHAS is in the process of hiring staff for the unit. A draft Memorandum of Agreement between OPM, DMHAS and agencies to be served by unit has been developed. Target date for service commencement is July 1, 2014.

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D. Timely Contract Executions

	DCF	DOC	DDS	DMHAS	DPH	DSS
% of Contracts Executed at least 15 days prior to Start Date (*% executed prior to start date-FY13)	FY11: 52% FY12: 50% FY13: 49% (73%*)	FY11: 0% FY12: 74% FY13: 0% (0%*)	FY11: 99% FY12: 100% FY13: 39% (92%*)	FY11: 100% FY12: 62% FY13: 92% (100%*)	FY11: 0% FY12: 25% FY13: 0% (0%*)	FY11: 1% FY12: 12% FY13: 0% (2%*)

Report Recommendations

1. OPM shall require agency accountability regarding timeframes for approving commencement and completion of annual contract development and execution processes. **95% of contracts shall be executed at least fifteen days prior to contract commencement**. The process improvements recommended for each agency in this report & Lean process improvement techniques should be implemented to ensure timeliness.

STATUS: On 10/31/13, OPM issued a policy formalizing 95% standard which requires monitoring of agency contract execution dates and gives OPM the ability to require agencies to submit contract requests to OPM in a manner that ensures sufficient lead time for timely contract execution.

2. An identified source of delays in contract development for majority of agencies involves funding identification/allocation and contract request/approval processes.
   a) **Contract Funding Approval**: The agency's budget unit shall be responsible for verifying availability of contract funds and notification to program and contract units of overall funding amounts. Program units in coordination with the contract units shall be responsible for funding allocation to specific contracts and/or providers. A major issue, however, is that funding approvals need to be provided with sufficient lead time to allow for the timely (i.e., at least 15 days prior to the contract commencement date) development and execution of contracts. This is a significant source of delay for some agencies.
   b) **Electronic Routing & Approvals**: Intra-agency approval process shall rely on electronic routing/approvals; eliminate manual, paper processes.
3. **DPH and DSS: Modify Fiscal's role in Funding Determination**. Fiscal should share Spending Plan information with Programs and Contract Unit. Programs should make the determination as to how to allocate those dollars (spending plan development), submit to Contracts Unit, and Contract Unit should ensure that the dollars are utilized in accordance with the figures provided by Fiscal. DSS: Modify Contract request document to include all information required for Contract staff to solely complete OPM requests.

STATUS:

- **DCF:** Held Lean event 8/2013 to identify/eliminate non-value added activities in contract processes, decrease lead time & start contract renewal 3/1 each year.
- **DOC:** As statewide budget forms are implemented, timeliness should improve as the time it takes for DOC and providers to prepare budgets should decrease.
- **DMHAS:** Changes made to the internal Pre-approval Request process to enable 50% of the staff involved to access the requests electronically & enter approval on-line directly into database. Discussed with IT staff possibility of total on-line system for electronic processing/approval by 6/30/14.
- **DPH:** Redesigned contracting process by convening work groups & by using the Lean Initiative in June 2013. Many redundant steps/forms were eliminated. The new contracting process was rolled out on 8/31/2013, starting with finalizing an electronic system of receiving internal contract information and expenditure reports from providers, moving staff to the contracting unit from the fiscal unit, and creating work teams with specific job duties. Lean meetings continue to be scheduled with the goal of reviewing the new process to ensure revised procedures are in place by 8/2013. DPH established an electronic internal form (e-DAR) to establish a contract. Roles/processes re: funding determination have been modified. The Department is preparing to conduct an evaluation of the new process effectiveness in early 2014.
- **DSS:** Ability to reach target contingent upon successful implementation of Lean recommendations, restructuring of responsibilities and additional staff. Need commitment from all areas to achieve. Begin 10/1/13-measure compliance for 10/1 contracts and again for 1/1 contracts; develop compliance expectations as restructure is implemented. Significant improved compliance for 7/1/14 contracts and full compliance for 10/1/14 contracts. **(Report recommendation:** Modify OPM request document to allow Contracts to solely complete. ***DSS Response:*** Done. Also: internal approvals are electronic)

E. Organizational Structure -*Model Contracts Unit:*

Budget management re: certifying funding availability is primarily a ***fiscal office*** responsibility, with ***program units*** responsible for program development/monitoring re scope of services, grant applications, initial budgets, service delivery methods and monitoring provider performance and program outcome measures. ***The recommended roles for Central Contracts Unit are as follows***:

1. **Contract development and execution**, liaison with OPM, Attorney General's Office, State Auditors and providers for fiscal/administrative matters.
2. **Development of Contract Budgets**: Contracts and Program staff will collaboratively oversee development of final contract/provider budgets.
3. **Review & Approval of Financial Reports/Budget Revisions**: Contact units, in consultation with Program staff, reviews/approves reports/revisions
4. **Authorizing Payments**: Payment authorization shall be the responsibility of the contract unit, in consultation with program staff. Human service agencies shall eliminate Program/Fiscal review and/or approval of payment requests.
5. **Year-End Reconciliation/Single Audit**: Contract staff responsible for oversight of Fiscal Year-End reconciliation & State Single Audit review.
6. **Personal Service Agreements and Memorandum of Understandings (PSAs, MOUs)**. Should be handled by agency's POS Contracts Unit.

Report Findings re organization of contract functions: Agency reflects recommended role for Central Contracts Unit? **Yes, No or Partially**

Contract Activity	DCF	DOC	DDS	DMHAS	DPH	DSS
1. Contract Development and Execution	Yes	Yes	Yes	Yes	Yes	Yes
2. Contract Budgets	Yes	Yes	Yes	Yes	No*	Partial*
3. Review and Approval of Financial Reports/Budget Revisions	Yes	Yes	Yes	Yes*	No*	No*
4. Authorizing Payments	Yes	Yes	Yes	Yes	No*	No*
5. Responsibility for Year-End Reconciliation	Yes	Yes	Yes	Yes	No*	No*
6. POS's, PSA's and MOU's handled by Central Contracts Unit	Yes	Yes	No*	No*	Yes	Yes

(*=Agency is reviewing, making or has made changes to address-see below)

Agency-specific Recommendations Related to Report Findings:

DDS: Using current staffing classifications/FTE's, consolidate agency's two POS contracting units into a centralized unit. Eliminate role of East Hartford Business Office in contract processing; centralize all contracting functions including B-3. ***Agency Response:*** *The FY2014 budget transfers the Birth to Three division to a new Office of Early Childhood for July 1, 2015. DDS will monitor the recommendations of the Birth to Three feasibility study to determine the next course of action. DDS will analyze the recommendation of consolidating the role of the East Hartford Business office into a centralized unit during FY2014.*

DMHAS: 1. Move POS Contracting Spending Plan to HSCU or increase and spending plan expertise in the Budget Office through cross-training of staff; 2) Modify the role of Program in budget/financial oversight (use as resources, but not required review/approvers); and 3) Merge POS and PSA contracting functions ***Agency Response:*** *1) In SFY2014 the Budget Office will cross-train specific staff in the development/maintenance of the spending plan database; 2) funding renewal application process being looked at as result of the Lean process; and 3) POS and PSA contract units into one contract unit by 6/30/14.*

DPH: Restructure contracting functions to give CGMS responsibility of financial development/monitoring and Program staff responsibility for Scope of Service development & program monitoring. Eliminate Fiscal Office review of financial reports. ***Agency Response:*** *The Department reorganized contracting processes so that CGMS staff have full financial monitoring responsibilities. Program staff have responsibility for Program monitoring. The Fiscal Office no longer reviews financial reports. Revised responses to the above chart are as follows:*

Contract Activity	DPH
1. Contract Development and Execution	Yes
2. Contract Budgets	Partial
3. Review and Approval of Financial Reports/Budget Revisions	Yes
4. Authorizing Payments	Yes
5. Responsibility for Year-End Reconciliation	Yes
6. POS's, PSA's and MOU's handled by Central Contracts Unit	Yes

E. Organizational Structure -Model Contracts Unit –*continued*

Agency-specific Recommendations Related to Report Findings: continued

DSS: Restructure contracting functions to give Contract Unit staff responsibility, working with program staff, of financial development/monitoring and Program staff responsibility for Scope of Service & program monitoring. ***Agency Response:*** *DSS agrees that all of the current contracting functions, including those related to the financial development, payment and monitoring of POS contracts need to be reviewed and revised to improve contract development, monitoring, and payment timeliness. The Division of Financial Services is responsible for the financial aspects and monitoring as they relate to overall agency budgets, payment and purchasing activities. The Program Division is responsible for implementation, contract performance, and financial management of individual contractor performance. In addition, the Program Area has oversight of the contractors' budgets, achievement of program outcomes, and overall program compliance. Contract Administration staff, working with Program Staff provide support in the development of the overall contract, including the contract budget, and provides support, if requested in the review of contract financials.*

Current staffing levels in the Program Division have not been able to fully support the expected performance of those financial duties related to contract development and financial monitoring. Current staffing levels in the Contract Administration Unit limit the amount of financial support that can currently be provided.

Next Steps: (1)The Director and Associate Director of the Division of Financial Services have committed to a review of the funding and payment processes for POS contracts and to restructure the role of the Division of Financial Services in the funding approval and payment processes for POS contracts. (2) The Deputy Commissioner of Administration has submitted a justification for the addition of staff to the Contract Administration Unit. The addition of staff, coupled with the transfer of contracts from DORs; SDA and OEC to the Central Contract Processing Unit will allow Contract Administration staff to increase the level of support related to the financial review and monitoring; (3) the Deputy Commissioner of Programs along with the Director of Integrated Services have committed to review the role of their fiscal staff and their current POS contracts process to ensure that it aligns with the Contract Administration LEAN project; (4)Deputy Commissioners of Administration and Programs, will meet to identify "financial" contract tasks and the alignment of those tasks with Programs and/or Contract Administration. Timeline: Present through June 30, 2014; Implementation: beginning 7/1/14.

Other Report Recommendations:

- **DCF needs to strengthen program oversight and reporting on provider outcomes**. ***Agency response:*** Developing role definitions for program staff by 9/1.
- **DOC: Analyze functional job duties/workload of Contracts Unit** re job classifications and FTE's needed. ***Agency Response:*** Fiscal Services is undertaking a review of the functional job duties and workload of its contracts unit and will adjust such staffing, duties, functions and workloads as necessary and appropriate to increase efficiencies, improve timeframes, improve customer services and improve contracting outcomes.

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F. Contract Structure

Efficiencies can be created by standardizing contract language, consolidating State programs provided by providers under 1 contract and by longer-term contracts.

Area	DCF	DOC	DDS	DMHAS	DPH	DSS
% of Contracts with **OAG Part I Pre-approved Scopes of Service** as of FY12	100%	0%	86%	100%	36%	40%
% of **Consolidated Contracts**; Average # of Contracts per Provider-as of FY12	99%; 1	90%; 1.1	91%; 1.1	81%; 1.29	55%; 1.9	47%; 2.35
Contract Period of Performance:% of POS Contracts 3 or more years-as of FY12	99%	97%	32%	0%	84%	61%

Report Recommendations:

1. **Scopes of Service** (human service contracts): Agencies shall develop and implement OAG pre-approved scopes of service in cases where such use improves timeliness of contract execution and programmatic oversight. (Note: With pre-approved scope of services, individual contracts do not need to be reviewed by OAG)
2. **Contract Consolidation**: Agencies shall implement consolidated contracts to maximize efficiency for both state agencies and provider entities. Agencies utilizing more than 3 separate contracts with the same provider shall analyze those contracts for consolidation and shall submit their findings/level of adherence to OPM with their annual consolidation report. Increasing the contract period of performance (see c. below) and allowing different periods of performance for programs within the consolidated contract would help enable greater consolidation of contracts. Issues remain to be addressed as part of implementing such changes.
3. **Contract Period of Performance**: Where possible agencies shall implement contracts with contract terms of up 8 years.

STATUS/Agency/Response:

DCF: **Contract Period of Performance**: DCF moving to 5 year contracts with most providers. DCF has created new Audit Unit with 3 Associate Account Examiners to review and monitor contractor performance, State Single Audit compliance and other system related functions.

DOC: **Part I Scope of Services**: DOC is reviewing its use of Part I templates and will use templates as appropriate.
Contract Period of Performance: DOC uses longer term contracts (i.e. six years typically)

DDS: **Contract Consolidation**: DDS will review the contracts for Adult and Birth to Three services to propose a draft combined scope of services to be implemented for FY2015 should the transfer not occur.
Contract Period of Performance: DDS has 3 year contracts. Once Department has transitioned to uniformed rates, it will look to move to longer term contract.

DMHAS: **Contract Consolidation**: For SFY14, 8 contracts consolidated into existing provider contracts resulting in a 1.17 contracts per provider ratio
Contract Period of Performance: During SFY2013 all DMHAS 2-year human service contracts were amended to extend their terms for an additional 3 years with an end date of 6/30/16. Effective 7/1/13, all future new contracts will start out with 5 year term unless specific circumstances dictate shorter term.

DPH: **Part I-Scope of Services**: DPH has always utilized OAG pre-approved Scopes of Service but changes in program requirements from the funding authorities rendered many of the templates obsolete at the time the above figures were collected. CGMS submitted twenty-two additional Program templates to the OAG for pre-approval in October of 2013 with revised Scopes of Service corresponding to the revised grant requirements. Note that due to Federal funding, and changes in continual change in Scopes of Service with grant renewals, many contracted programs that include few contracts are not appropriate for consideration of pre-approval because the Scopes of Service are different each time the contract is renewed.
Contract Consolidation: DPH has been addressing since 2011. The original Corrective Action Plan submitted to OPM in June 2011 indicated an average of 2 contracts/provider. Updated CAP submitted in January 2012 indicated average of 1.8 contracts/provider. Most recent data: 1.5 contracts/provider.
Contract Period of Performance: Since 2011 contracts have been issued for a period of one year or less only when specifically required

DSS: **Scope of Services:** Currently maximize use of Part I templates.
Contract Consolidation: While efforts have been made to maximize use of consolidate contracts, we will continue to identify and pursue additional opportunities. 3/1/14 to 7/1/14 for 10/1/14.

G. Electronic Processes *(interim steps prior to implementation of contracts management system)*

Area	DCF	DOC	DDS	DMHAS	DPH	DSS
Electronic Contract Assembly	No	No	Yes	Partial	Yes	Yes
Electronic Contract Submittals	In process	Yes	Yes	Yes	Yes	Yes
Reduced Number of Hard Copy Contracts	Only 1	Yes	Yes	In process	In process	In process
Electronic Reports, Absent Signature	Yes	Yes	Yes	Yes?	In process	Being reviewed
Electronic Contracts Library	Yes	Yes	Yes	Yes	Yes	In process

Report Recommendations:

1. Electronic Contract Assembly: Agencies shall implement electronic contract assembly software to assist with contract execution process & contract assembly.
2. Electronic Contract Submittals: Agencies shall implement electronic processes for contract transmittal to/receipt from providers re signature/execution(ie PDF/Email)
3. Reduced Number of Hard Copy Contracts: Agencies shall eliminate hard-copy storage of contracts in multiple locations/units. The contract unit maintains one original, hard-copy master file for as long as original, hard-copy signatures are a requirement by the Office of the Attorney General.
4. Electronic Reports, Absent Signature: Contract periodic reports will be accepted electronically, absent signature, eliminating requirements for submission of hard-copy, original, signed financial reports/budget revisions.
5. Electronic Contracts Library: Agencies shall implement electronic contracts library that all agency staff can access to view active, executed contracts.

Agency Responses/Status:

DCF	• Electronic Contract Assembly: Process largely manual; Working with OPM to implement Web-based contracts management system. • Electronic Contract Submittals: Begin contract delivery to providers in electronic format. Explore electronic approvals/signature for contract signature process. Changes being pursued as part of Lean effort. Continuing implementation of contract data management system. In late 2013, CSDC was hired to assess lifecycle management solution for contract business processes. Final Assessment to be part of consultant review process cited Section B.
DOC	• Electronic Contract Assembly: DOC begins the contract signature process by submitting documents electronically to Contractors, the remainder of the process is manual. DOC staff continue to work with OPM on the web based contracts management system for human services contracts. • Reduced Number of Hard Copy Contracts: DOC maintains an electronic library of all contracts in a shared drive available to all staff for viewing. DOC also consolidates it programs operated by the same provider into one contract reducing the need for multiple contracts for each provider.
DDS	• Electronic Contract Assembly: Contracts entered in ACCESS Database. Contract Cover, Summary & Signature Pages converted to Adobe & saved as PDF & sent electronically to providers with Boilerplate language. Provider completes/sends back electronic submission & original paper contract. • Reduced Number of Hard Copy Contracts: All executed provider contracts are scanned and placed on a Common Drive location.
DMHAS	• Electronic Contract Assembly: Uses HotDocs as contracts assembly, but not as fully as DPH. • Reduced Number of Hard Copy Contracts: During SFY14 DMHAS is reviewing electronic contract storage practices as part of recent LEAN process. • Electronic Reports, Absent Signature: During SFY14 DMHAS will implement total electronic submission of required financial reports.
DPH	• Electronic Contract Assembly: DPH makes extensive Use of HotDocs as electronic contract assembly tool. • Reduced Number of Hard Copy Contracts: Staff and process reorganization has eliminated multiple contract copies being stored within DPH. Additionally, changes to the computer network access rights have made the electronic CGMS scanned contract library accessible to all agency staff. • Electronic Reports, Absent Signature: The requirement for signed original hard copy reports was eliminated for one major Program in April 2013. Additional major Programs included in electronic reporting in 7/13 & 1/14. Electronic reporting being made available for all contracts in Spring 2014.
DSS	• Electronic Contract Assembly: DSS's contracts management system includes automated document creation & data reporting capabilities. • Electronic Contract Submittals: DSS uses electronic submission process for OAG contract signature. • Reduced Number of Hard Copy Contract; Electronic Contracts Library: Report: "Implement an electronic library maintained by the Contracts unit of active contracts to be made available to all DSS staff". Agency working with DAS to identify server needs to allow for scanning/electronic retention of any document not required to be kept in hard copy prior to Central Office move to 55 Farmington Ave. • Electronic Reports, Absent Signature: Address in payments Lean process. Need discussion with Programs on acceptable report formats.

H. Payment Processes

System-wide Report Recommendations (Note-timely execution of contracts is a critical element of timely payments)

1. Streamlined Payment Processes: Human service agencies will decouple payment releases from receipt and acceptance of financial and/or programmatic reports wherever possible and appropriate. Any requirement for submission of invoices or documentation from the provider prior to payment shall be eliminated. The process improvement identified for agency and Lean process improvement techniques, as need, should be implemented.
2. Basis for Payments: Payments, to the extent allowed by funding sources, shall be made to providers quarterly, prospectively; based solely on receipt of state agency allotments.
3. Payment Standards:
   a) A single CORE Purchase Order shall be created and tied to the CORE Contract, for the life of the contract. Contract unit staff shall, upon receipt of quarterly OPM allotment and availability of funding in Account/SID, provide payment information to fiscal Accounts Payable unit.
   b) Agencies/OPM shall implement process to categorize CORE payment information by contract type to improve correlation of CORE report output.

Issue	DCF	DOC	DDS	DMHAS	DPH	DSS
Report found need for improvements in agency's payment processes	No	No	No	No	Yes*	Yes*

(*Agency reviewing/developing/implementing actions to address-see below)

DPH Recommendations:

1. Restructure contracting functions to give CGMS staff the responsibility of financial development/monitoring and Program staff responsibility for Scope of Service development and program monitoring. Eliminate Fiscal Office review of any contract-related financial report.
2. Eliminate submission of financial reports by SID and financial reports from subcontractors. Financial reports should be submitted by program. This is auditor tested & accepted at other agencies. In making changes, federal award expenditures by agencies must remain in compliance with OMB Circular A-133.
3. Completely restructure payment process eliminating Fiscal Office review and approval.
4. Eliminate contractual language that ties payments to report submission to the extent allowed. Part II language in the POS contract already allows for payment withholding if reports are late. DPH should explore quarterly/prospective payments wherever possible.
5. Apply Lean process improvement techniques, as appropriate, with respect to above recommendations

STATUS-DPH

- Many payments were decoupled from acceptance of reports and expansion of that process continues with implementation of the 12 Point Efficiency Plan and the Lean Process. Instances will remain due to federal funding requirements that dictate the allowable payment conditions.
- DPH will eliminate the need for separation of Budgets and Expenditure Reports by SID beginning in March of 2014, except in the case of restricted funds. The elimination of multiple budgets reduces the number of required Expenditure Reports and results in expedited Financial Report review.
- The DPH payment process has been streamlined through internal review and implementation of Lean Initiatives. PO's are created only once in the system for the entire contract amount when contract is initiated, not each time a payment is made. This change reduced the time it takes in issuing payments by 50%. Also, the Contract Unit is the only authorizer of contract payments. Fiscal no longer reviews/approves payment requests.
- The DPH Fiscal Office is no longer responsible for review of Expense Reports prior to payment. CGMS is responsible for review/approval with Program input.

DSS Recommendations:

1. Completely restructure business payment processes (using Lean process) and eliminate contract language tying payments to report submission. Part II contract language allows for payment withholding if reports are late. Explore implementing of quarterly/prospective payments wherever possible.

STATUS-DSS: 11/4 to 11/13/13. Involved staff participated in Lean process to review processes, contract language and Core-CT roles to identify & implement efficiencies. Need to coordinate with Lean recommendations re moving to DMHAS-type contracts unit. Work to implement payment basis and process changes, as allowed by funding sources, in time for 7/1/14 contracts.

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I. Training - *Report Recommendations*

1. OPM shall coordinate and oversee development of mandatory standardized, contract-specific, training for staff assigned to contracting units (as promulgated by OPM Procurement Standards and required per state statute). Such training curriculum will include contracting standards and policies required by the Office of State Ethics, Freedom of Information Commission, State Elections Enforcement Commission, Commission on Human Rights and Opportunities, Office of the Attorney General, Department of Administrative Services & any other state agency as deemed relevant.

STATUS: As 1st step, OPM developing training program on OPM Procurement Standards (also recommended by Governor's Non-Profit Cabinet) By: 5/1/14

2. Training for contract unit staff is a mandatory requirement per OPM Procurement Standards (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5). Additionally, training for agency staff responsible for ancillary contracting functions (i.e., program staff), and training for provider staff enhances the efficiency/efficacy of the contracting process.
   a) **Contract Unit Professional Development**: Agencies shall provide professional development opportunities to enhance Contracts staff skill-sets.
   b) **Cross Training**: Agencies shall develop inter-unit cross-training tools to increase staff knowledge re contract development/oversight & programs.
   c) **Provider Training**: Agencies shall develop collaborative training opportunities for provider staff to cover topics such as competitive procurement, contract development, and financial and programmatic report submission, etc.
3. Each POS Agency: Implementation of required training for Contracts staff in collaboration with the Office of State Ethics, Freedom of Information Commission, State Elections Enforcement Commission, Commission on Human Rights and Opportunities, Office of the Attorney General, DAS and any other state agency involved with Contracting. Curriculums should be developed in accordance with OPM Procurement and Connecticut Statutes.
4. DCF: Provide cross- training & expand staff's knowledge in areas outside their job functions. Institute formal provider training for contracting process.
5. DSS: Explore cross training within Contract Unit staff between the Procurement side and Contract side.

Agency Responses:

- **DCF:** Have approached POS contracting agencies to collaborate on identifying training needs and resources specific to statutory and regulatory processes. Target completion date for training plan is December 1; implementation could begin in January 2014.
- **DOC:** As part of the review of the contracting functions, roles, responsibilities and the resources needed to fulfill it's contracting needs and obligations, DOC Fiscal Services will identify training needs. Based on this assessment a training plan will be developed and training resources identified. Target completion date for training plan: 7/1/14. Plan also dependent on guidance/materials from OPM as outlined in number 1. Above.
- **DDS:** DDS will work with other state POS contracting agencies to develop a statewide standard training curriculum specific to statutory and regulatory processes.
- **DMHAS:** By 6/30/14 the Department will: review contract staff training needs and plan/implement specific training opportunities to address the needs; institute periodic (quarterly) informational/training meetings with Local Mental Health Authority contract staff to increase staff knowledge of contracting processes; and develop and implement a plan to provide training opportunities for provider staff on such topics as required reporting, use of reporting forms, etc. OPM and the other POS agencies should organize this training as a joint effort to avoid duplication of efforts.
- **DPH:** As a result of the reorganization of CGMS staff into distinct teams, training has been and continues to be provided for staff to aid their transition into new rolls. Written training curricula and formal procedure and process guidance is being developed to serve as resource tools for staff and to facilitate recurrent staff training. Staff are also being encouraged to take State of Connecticut In-Service professional development courses focused on improving writing/language skills, contracting writing, and use of computerized management tools.
- **DSS:** Provide "Contracting Boot Camp" for all DSS staff involved in contracting in collaboration with OAG, DAS, OPM & CHRO and with assistance of UConn OSD/outside groups to coincide with effective date of new structure (1/1/14-3/31/14). Work with OPM to offer "Town Meeting" discussion of best practices with all POS agencies. DSS has already implemented webinar for providers re Competitive Procurement and internal staff for Contract Development. Looking to expand use of webinars. Agency cross-training ongoing; expand once revised Contracts Unit properly staffed.

J. Program and Client Outcomes and Data Collection Systems- *Report Recommendations*

As required by state statute, and as promulgated by OPM, agency staff must ensure the programmatic and financial efficacy of contracted programs. Agency contract processes should support an emphasis on programmatic outcomes.

1) **Financial and Programmatic Reporting and Data Analysis**: Agencies shall develop a coordinated administrative and programmatic oversight component that includes administrative oversight, fiscal/programmatic reporting & data analysis performed collaboratively by Program & Contracts.

STATUS:

- **DCF:** Program managers in Central, Regional offices and contract staff meeting to define roles for program leads; site visits are part of that role. Site visits are currently conducted in residential programs and many other service types. Site visits protocols will be developed this fall and implemented for each program as completed. Recently completed hiring of Grants & Contracts Specialists in all 6 regions to provide front-line assistance with fiscal/programmatic oversight.
- **DOC:** Biannual strategic planning process used; annual performance report reviewed with contractors. DOC plans to optimize contracts unit by increasing its focus on the administrative, fiscal and contracting functions re provider contracts and migrating tasks currently performed by the unit not within these categories to more appropriate staff. DOC will continue its emphasis on collaboration and customer service to ensure that program staff are able to focus their time more productively on program and client outcomes.
- **DDS:** Biannual performance meetings held with providers; one is program focused and tied to the DDS certification process with second meeting fiscally focused. DDS has a Quality Service Review System that reviews a series of indicators. Quality Monitors routinely make site visits to program locations; QSR data and other data used to monitor agency performance. Case Managers, resource managers or any DDS personnel can conduct a QSR visit & all this data is used to inform annual Performance meeting. Based on QSR & Provider's own quality data, the Provider submits Continuous Quality Improvement Plan for region review/approval.
- **DMHAS:** Fiscal and programmatic oversight occurs: 1) upon review of Grant Applications at or before onset of the fiscal year; 2) when quarterly provider **"report cards"** are released by the Evaluation, Quality. Management and Improvement (EQMI) Division. The report cards document provider performance across contract outcome measures; and 3) when annual fiscal audits reviewed. Results of reviews shared across Divisions.
- **DPH:** Have consolidated most administrative/fiscal responsibilities within CGMS allowing Programs to focus on Program monitoring/performance outcomes, resulting in a closer working relationship between the Program Staff & CGMS. More attention needed as DPH proceeds with process changes to develop universal standards and/or procedures for Programmatic monitoring.
- **DSS:** Agree and is currently working on restructure of Contract staff to align with Program.

2) **Management of Service Level Data**: Agencies shall develop and implement protocols for the compilation, aggregation and electronic storage of financial, statistica and programmatic data to measure the provider's ability to meet contractual performance obligations.

STATUS:

- **DCF:** DCF continues to expand its web-based data system for contract outcome management.
- **DOC:** DOC manually tracks and compiles provider utilization, statistical and performance data; enterprise web-based contracts management solution for POS agency should allow for electronic data collection and aggregation.
- **DDS:** DDS has developed an electronic folder on a common drive. There are 4 Main Sections (Contracts, Budgets, Fiscal Reporting, and Quality Performance), with multiple sub-Sections within each main Section. Provider specific information is stored in the sections for each fiscal year.
- **DMHAS:** EQMI Division oversees electronic submission, storage and reporting re provider data. Aggregate data shared with providers quarterly along with statewide averages for most performance measures. Quarterly provider report cards sent to providers; soon will be on DMHAS website.
- **DPH**: Many Program Units collect service level data, mostly in electronic systems that consolidate/manage the data. Many of the systems for managing service level data are dictated by the federal funding authorities and involve direct access to standardized reports. Some Units also electronically consolidate, manage and report on performance outcomes. Reports are then forwarded to providers to assist with quality improvement. Expenditure data is electronically collected in CGMS data system. A future goal is to integrate data from multiple sources to develop standardize reporting capabilities.
- **DSS:** Contract staff working with Program staff through Deputy Commissioner Singleton to develop a contract dashboard. Dashboard will serve as a reporting tool that documents financial and programmatic performance of Contractors. Currently working with CSBG contracts as pilot.

J. Program and Client Outcomes and Data Collection Systems- *Report Recommendations—continued*

3) **Programmatic Outcomes**: Commissioners shall review and approve outcome measures to be included in POS contracts and submit these measures to OPM. Agencies shall take into account how these measures within and across programs contribute to the applicable cross-agency results and indicators developed by the Governor's Cabinet for Non-Profit Health and Human Services.

STATUS: ***OPM working with Governor's Nonprofit Liaison re the implementation of the Cabinet's recommendations in this area. Other agency feedback:***

- **DOC:** DOC includes performance measures in each of its agreements and each agreement is reviewed by the Commissioner/Deputy Commissioner. DOC plans to review the performance measures it uses to ensure that they meet current requirements and are aligned w/ departmental and programmatic goals and objectives. The target completion date for this review is 7/1/14 w/ submission to OPM by the 4th quarter of SFY14 (unless otherwise directed by OPM).
- **DMHAS:** Programmatic outcome measures developed and revised through a collaborative process involving the Community Services Division (CSD) and EQMI Division. Some measures are required by the funding federal agency. Statewide averages are computed for the key measures.
- **DPH:** DPH Deputy Commissioner oversees the Public Health Initiative Programs involving establishment of Program outcome measures and performance statistics. Most program performance information is extensively reviewed by Program staff to determine program efficacy/performance. Future efforts can include review of such measures against the results and indicators developed by the Governor's Cabinet on Non-Profit Health and Human Services; however, many program outcome measures are dictated by the federal funding authorities for specific public health programs.
- **DSS:** As noted above, Program staff working to develop contract dashboards.

4) **Reporting on Outcomes**: In a format/timeframe identified by OPM, State agencies shall report on performance outcome results for each program type.

STATUS: Recommendation still under review by OPM.

K. OPM and Office of Attorney General Recommendations

1. **Job Duties/Classifications**: OPM shall coordinate and oversee evaluation of the duties required to develop, implement and oversee human service contracts. The evaluation will: include DAS staff and human service contract experts from the human service agencies; determine proper job descriptions and classifications for staff assigned to the human service contract units; and staffing level guidelines for human service contract units.

STATUS: The work with DAS/DMHAS on the organization of Central Contracts Unit involved the appropriate classifications related to contract units.

2. **OPM Approvals**: OPM shall evaluate requirements for submission/approval of Procurement Plans, Spending Plans and OPM Contract Requests to eliminate redundancy and streamline processes.
3. **OAG Review/Approval**. As legal counsel for the human service agencies, the OAG is responsible for representing agencies in any contractual dispute. As such, the OAG has a need for input into how contracts are developed; involvement shouldn't unduly hinder or slow contract process.
   a) Electronic Signatures – OAG working with OPM shall identify/evaluate the legal requirements and ramifications of electronic contract signatures.
   b) Standardized Reviews - OAG shall develop standardized protocols for review and approval of human service contracts to ensure that contracts and scope of service pre-approvals from each agency are reviewed and processed in accordance with the same requirements and standards.
   c) Streamlined Processes-OAG, OPM & agencies shall identify streamlined/efficient agency processes to avoid redundancies & promote timely contract execution.

STATUS: Recommendation still under review by OPM. Will work with POS agencies to identify issues to be addressed.

L. Attachments-Detailed Status Reports from Agencies

Department of Children and Families

Department of Correction

Department of Developmental Services

Department of Mental Health and Addiction Services

Department of Public Health (including 12 Point Implementation Plan)

Department of Social Services