



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: 10/9/07
Placement: Set Hearing
Estimated Time: 20 Minutes on 10/16/07
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Kathy M. Gallagher, Director
Director(s) Department of Social Services
805 346-7101
Contact Info: Michael Dean, Deputy Director
805 681-4464

SUBJECT: **Approval of Professional Consulting Services Contract with InTelegy Corporation to Design a Medi-Cal and Food Stamp Benefits Service Center**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

1. Set Hearing to consider an agreement to contract with InTelegy Corporation for consulting, training, and project management services in support of the County's goal of implementing a Medi-Cal and Food Stamp Benefits Service Center equipped with state of the art call center processes and technologies for the period of November 1st, 2007- December 31st, 2008, in the amount of \$334,040;
2. Authorize the Director of the Department of Social Services to approve amendments to the agreement provided that any such amendment is not in variance of ten percent (10%) of the contract's dollar amount and does not exceed a six month extension.
3. Authorize and approve a Budget Revision Request to increase appropriations and unanticipated revenue required in FY 2007/08 for the execution of this contract in the amount of \$187,800.

Summary Text: The Department of Social Services (DSS) is embarking on a project to develop a Benefits Service Center (BSC) to enhance the quality of services provided to our Medi-Cal (MC) and Food Stamps (FS) clients. The BSC project is highlighted on page A-6 of the adopted 2007/08 County budget book under Goal 1: An Efficient Professionally Managed Government Able to Anticipate and to Effectively Respond to the Needs of the Community. The BSC will help DSS achieve two key departmental strategic goals (*moving toward a paperless environment and reducing multiple eligibility*

workers assigned to each public assistance household), support the CEO's e-Government Initiative and Information Technology Strategic Plan and embrace the County's "ACE" Organizational Values.

Numerous MC recipients are aged and disabled and transportation is a barrier for them to access services at our existing regional offices. The FS recipients that will be served out of the BSC are essentially the working poor of the County. The FS recipients will not have to take time off of work to stand in line at regional offices to conduct business with DSS. The BSC provides an immediate connection with an eligibility worker during all business hours while reducing client visits to regional offices. In contrast, in the current business model, these types of clients and these types of activities are part of a caseload of several hundred cases in which clients must speak with their individual worker. If the worker is busy with another client or casework, the client must leave a message or wait, which can be very frustrating and time consuming. Centralizing work at the BSC will reduce employee travel along the Highway 101 corridor which is consistent with your Board's desire to reduce freeway congestion.

Having completed a feasibility study and determined that the BSC is a viable option for DSS, entering into this consulting contract with InTelegy Corporation is the critical first step in moving into the development and implementation phases of the project. InTelegy Corporation was selected through a competitive bidding opportunity. With the contractor's expertise, DSS will benefit from lessons learned and best practices across the state as InTelegy Corporation has guided each California County that has already successfully launched a BSC.

This letter will provide an overview of the project and its significance to the constituents and employees of the County. While there is no legal mandate for DSS to pursue implementation of a BSC, not doing so would put the County at risk for not being able to meet program mandates without adding additional staff. Investing now to build the infrastructure necessary to embrace BSC efficiencies positions DSS to be able to deliver higher quality customer service, improve staff morale, and handle projected caseload growth for approximately six years within the current staffing levels for these program areas.

Background: DSS has long been interested in exploring new client service strategies that maintain a high level of customer service within budget constraints while meeting MC and FS Performance Standards implemented by the State. With caseloads growing, allocations not keeping up with the cost of doing business, and the constraint of a finite number of eligibility worker positions, DSS knew that it needed a strategic plan to mitigate growing caseloads without adding a commensurate number of staff. In 2006, DSS began to assess whether a BSC would be a viable way of doing business in our county. Executive staff and line managers have done due diligence in visiting five call center counties, conducting statistical and procedural reviews, and performing a detailed cost benefit analysis. DSS has identified the key programs and program areas to be included in the BSC that leverage existing resources and technologies and provide for an efficient and effective staff and client experience. DSS is ready to rapidly move toward implementation of a MC and FS BSC to begin achieving BSC efficiencies as soon as possible.

Risks Under Current Business Model

Under the current business model, based on a projected 4% annual combined caseload growth for MC and FS, DSS would need to add a total of 32 FTEs by FY13/14 to serve the projected additional recipients in the two programs. Alternatively, maintaining the current staffing level into the future would mean that DSS would not be able to provide the required services to the MC and FS recipients, resulting in the following consequences:

- Failing audits and not meeting Performance Standards
- County General Fund penalties and/or decreased allocation
- Ineligible beneficiaries continuing to receive assistance
- Lower level of customer service
- Constituents not getting timely MC coverage and thus medical care
- More uninsured
- Increased use of Public Health Department clinics w/out MC reimbursement
- Reduced reimbursement for Alcohol, Drug, and Mental Health Services Department
- Workers compensation increases
- Contentious labor relations
- High turnover

BSC Overview

A Benefits Service Center is a public sector call center. Call centers are centralized offices which provide information and conduct transactions by telephone. Most major businesses today use call centers to interact with their customers. A call center can be viewed, from an operational point of view, as a queuing network. Increasingly, the voice and data pathways into the center are linked through a set of new technologies called computer telephony integration (CTI).

For the past five years, counties in California have begun establishing BSCs for MC and/or FS programs. Santa Cruz, San Mateo, Contra Costa, Alameda, Santa Clara, and Sonoma currently have call centers and others are in the process of implementing them including Tulare, San Francisco, and Fresno. This is because the MC program regulations allow for all case work to be conducted by mail and telephone. Current initiatives in the FS program include waiving the face-to-face requirement and utilizing online applications. The California Counties preceding DSS in implementing BSCs report improved customer service, greater efficiency, and better accountability. The BSC environment leverages state of the art technologies to reduce the number of staff it takes to administer MC and FS programs.

BSC Operations

The BSC is planned to be located in a leased facility in Santa Maria. Seventy percent of the staff designated to work at the BSC as well as 70% of the recipients served by the BSC currently reside in North County. BSC staff will be primarily bilingual and will have the ability to serve clients in-person, via appointments at regional offices, to ensure quality service delivery for clients who may not otherwise conduct business over the telephone. Only the routine ongoing case maintenance work for MC and FS will be conducted at the BSC, therefore there will be no walk-in client activity. The application, or intake, process for these programs, however, will remain at existing regional offices in Santa Maria, Santa Barbara, and Lompoc. Should a client desire or regulation require face-to-face appointments, BSC staff would meet with clients at the regional office closest to the client's home. The ongoing work is split into two types: phone work initiated by the client; and case maintenance work initiated by DSS staff to ensure program compliance.

Interactive voice response (IVR) telephone systems allows for a client to obtain standard information (e.g. directions, hours of operations, special information such as on the recent "cold weather freeze" or "Zaca Fire" events) or to be connected to a person to assist them with their specific needs. Counties operating BSCs state that as many as 30 – 40% of calls received are resolved within the IVR and do not proceed to speaking with a worker.

“ACE” Analysis

Accountability –

- Telephone workers follow a specific script and protocol so the same information is always given out.
- Standard office/clerical protocols are established as to how incoming mail is sorted and scanned and electronically filed and/or delivered.
- Task Management and Scheduling Software enhance supervisors’ abilities to oversee completion of assignments.
- Able to monitor calls for quality.
- Ensures that renewals and periodic reports are completed consistently and timely avoiding the possibility of inappropriate discontinuances.
- Quality assurance is built into business processes.
- Better able to achieve program-wide consistency.

Customer Focus –

- 84% of DSS clients recently surveyed indicated that they would like the ability to conduct business over the telephone.
- Standard information is available 24/7 via IVR in both English and Spanish.
- Clients can conduct business when it’s most convenient for them.
- A worker is always available to assist the client during business hours.
- Calls are answered promptly.
- Calls get directed to the person who can best assist the client.
- Clear and consistent information is provided.
- Eliminates the need for clients to travel to a DSS office which is especially meaningful for clients with transportation barriers or those who can’t take time off work to travel to regional offices.
- Counties who have implemented BSCs report an increase in customer service survey ratings.

Efficiency –

- Work is completed steadily on a flow basis according to organizational priorities rather than individual or unit decisions.
- Work gets done in prompt, priority order despite individual worker absences.
- Workload need determines staffing rather than individual caseload assignments or standards.
- IVR software can track volume and times of telephone calls and scheduling software can help match coverage to the volume of phone calls.
- Monitoring of calls allows for timely assistance when difficult questions/situations occur.
- On-site training and program support together with management oversight ensures more complete and consistent implementation of new regulations and procedures.
- Division of duties better matches worker skills and interests to their assignment.
- Certain tasks now done by eligibility workers as part of their caseload management tasks (e.g. filing) can be performed by clerical staff.

Additional Benefits -

- Increasing staff retention
- Expanding pool of applicants for Eligibility Worker positions
- Reducing the number of cars, traffic, and pollution by employees and clients.
- Reducing traffic on the Highway 101 corridor.

Future Board Action/Key BSC Project Milestones

This Board action is for the approval of the professional consulting contract which will commence on November 1, 2007. DSS will return with future BSC project items , including a request for increased appropriations and unanticipated revenue to cover other FY 2007/08 one time costs and approval of the lease agreement (January 2008). Other important dates:

October 16, 2007 – The Project Management Consultant Contract heard by the Board of Supervisors

November 1, 2007 – Consultants begin the Design & Build Phase

January 2008 – Lease is negotiated and presented by the Board of Supervisors

March 2008 – Tenant improvements for the leased facility begin

July 2008 - Facility ready for occupancy

August 2008 – Training of Staff conducted-ongoing

September 2008 – BSC opens

November 2008 – BSC meeting all service level targets

Performance Measure:

The InTelegy Agreement includes ten performance measures across the three phases of the contract. Payment is tied to these deliverables. Details are contained in Section V. of the Statement of Work as well as Exhibit A2. Contractor will be subject to a monthly hold-back provision and the hold-back amounts will be released at three points during the contract if performance measures are achieved.

Some key performance measures include:

1. By the end of November 2007, 100% of Committees are Formed and Recurring Meeting Schedule is Set.
2. By the end of December 2007, 100% of the Baseline Project Plan is Complete.
3. By May 2008, 50% of the Workflow Documentation for the Operations Manual will be complete.
4. The month prior to BSC launch, staff training will be completed with evaluation scores of 3.5 or better (scale 1 – 5).
5. The BSC will launch on or before 9/2/08.
6. BSC Service Level Targets will be met within 60 days of launch.

Fiscal and Facilities Impacts: The Department of Social Services is currently nearing 100% capacity in both their Santa Maria buildings. Adequate space does not currently exist for neither projected caseload increases in that area nor the implementation of a BSC. DSS and General Services are in the process of identifying space to lease in the Santa Maria area. We will return to your Board at a future date for the execution of a lease. Further, based on the ongoing changes in requirements from the state, it is recommended that the BSC be in leased space.

Budgeted: No

Fiscal Analysis: Approval and execution of this one year contract will result in total expenditures of no more than \$334,040.

These costs have been allocated as follows: \$187,800 in FY 2007/08 and \$146,240 in FY 2008/09. Appropriations and Funding for Fiscal Year 2007/08 are included in the attached Budget Adjustment. Appropriations and Funding for Fiscal Year 2008/09 will be included in the Department of Social Services requested budget under the Systems and Program Development division. Funding for this contract is approximately 50% federal funded, 25% State funded through the California Department of Health Services and 25% State funded through the California Department of Social Services.

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 93,900.00	\$ 317,087.00	\$ 1,468,872.00
Federal	\$ 93,900.00	\$ 317,087.00	\$ 1,468,872.00
Fees			
Other:			
Total	\$ 187,800.00	\$ 634,174.00	\$ 2,937,744.00

Narrative:

The start up costs of the BSC is projected to be approximately \$2.9 million, of which \$1.9 million is to be expended in FY 2007/08, \$471K in FY 2008/09, \$150K annually in Fiscal Years 2009/10-2011/12 and \$100K in FY 2012/13. This amount consists of the above contract, software, hardware, and costs to furnish and move into new space. 100% of these costs will be funded through the Department’s current funding sources. On going overhead costs are projected to average \$634,173 annually. We have projected that these additional on going costs will also be funded through our current funding sources. It is also estimated that there will be no need for an increase in our general fund contribution due to the implementation of the BSC.

Staffing Impacts:

Legal Positions: **FTEs:**

Special Instructions:

After execution by the Chair, please return one (1) originally signed agreement for the Contractor, the Department copies of the agreements and one (1) copy of the minute order, attention: Diana Klopp

Attachments:

Agreement for Services of Independent Contractor
Budget Revision Request

Authored by: Maria Gardner