

November 5, 2009

Honorable Senator Abel Maldonado
State Capitol Building, Room 4082
Sacramento, CA 95814

RE: Oppose – Privatization of County Public Assistance Programs

Dear Senator Maldonado:

The signing of ABX4 7 into law as part of the 2009/10 budget will allow the State Department of Health Care Services and the State Department of Social Services to contract with a private vendor to perform eligibility determinations for the CalWORKs, Medi-Cal, and Food Stamps programs using a large statewide automation contract centralized in Sacramento. The County of Santa Barbara believes that this system will not achieve the savings and efficiencies envisioned and may very well unintentionally jeopardize clients and their access to services. Therefore, the County of Santa Barbara opposes the privatization of the statewide eligibility determination and case management process for the CalWORKs, Medi-Cal and Food Stamp programs as envisioned under ABX4 7.

The Very Poor and At-Risk May Lose Access to Public Benefits

The County's primary concern with the implementation of ABX4 7 is the potential impact to clients. There is no evidence that privatized eligibility improves customer access to services – in fact, the experiences of other states demonstrates that service delivery is actually worse. Hundreds of thousands of clients have lost needed services that they were eligible to receive. Access to critical services for many more clients was curtailed as offices were closed and workers to provide needed assistance were laid off. Even after failed privatization efforts were halted, clients continued to suffer harm as states had difficulty staffing back up to meet demand. The potential impacts to local clients within the County include:

- No local offices for clients to access (for public assistance and emergency services, (i.e. expedited food stamps, CalWORKs homeless assistance)).
- A privatized state automated system assumes that all applicants have access to a computer and are computer-literate.
- A privatized state automated system will not be able to recognize and adapt to the barriers that exist for varying clients (such as mental health issues, physical disabilities, etc.). As a result, many clients may not be able to comply with program application rules which will leave our most vulnerable clients, children, aged and disabled, at risk of abuse and neglect increasing the demand for protective services.
- The future of County Operated Health Systems such as CenCal Health would be uncertain. It is unclear whether the legislature would allow Medicaid Managed Care programs to continue to exist.

Employ State-of-the-Art Technology to Improve Efficiencies at the Local Level

The County supports the goal of increasing efficiencies in the delivery of public assistance benefits through the use of technology and automation. In fact, efficiencies are already being realized through collaborative efforts already underway.

- Counties are already supporting internet-based applications - County welfare departments, state staff, and advocacy organizations representing clients are creating state-of-the-art, internet-based applications for a number of programs, including CalWORKs, Food Stamps and Medi-Cal in five counties, expanding to all counties over the next year. These efforts build upon the successful systems that are already in place.

- Counties effectively use technology to improve services - Counties are already leading the way in implementing efficiencies such as call centers and internet-based application portals to improve access to services and support clients.
 - Santa Barbara County opened the Benefit Service Center (BSC) in September 2008. In FY 08/09, BSC Staffing levels have remained static despite a 27% combined Medi-Cal and Food Stamp caseload growth.
- On-line appointment scheduling for intake – Santa Barbara County Department of Social Services is in the process of setting up an internet based appointment scheduling process for public assistance intake programs.

However, the implementation envisioned under ABX4 7 is not likely to achieve savings and efficiencies. ABX4 7 attempts to duplicate or replace, at a much greater cost on a much longer timeframe, the existing successful systems. Previous state attempts in California to automate similar services have either failed completely or taken an extended period of time to complete at a substantially greater cost than originally estimated. Failed projects in Texas, Indiana, Wisconsin, Ohio and the District of Columbia, provide recent examples of cost overruns and overcharges across multiple human services programs. Based upon these experiences, the County is supportive of a single statewide automated system rather than a new centralized privatized system to determine eligibility.

Support a Single Statewide Automated System That Meets Federal Requirements

The County supports the use of a county-administered single statewide automated system. Currently there are four Statewide Automated Welfare Systems (SAWS) that are being used by the 58 counties (CalWIN, C-IV, ISAWS, and Leader). Significant financial investment of State and Federal monies were put into these systems that accurately determine eligibility in a consistent manner with very low error rates. ABX4 7's intent to develop a new automated system is tenuous when one of these existing systems could be utilized statewide by all 58 counties to determine eligibility while achieving consistency of eligibility determination and enrollment as outlined as a desired outcome of ABX4 7. As the desired outcomes of ABX4 7 are already achievable by enhancing and moving to one of the current SAWS, the County opposes the proposed centralized privatization system. Leaving eligibility determination with counties will profoundly benefit Santa Barbara County clients, local government, and the local economy.

If additional information is needed, please do not hesitate to contact Kathy Gallagher, County's Director of Social Services at 805.681.4451. Thank you for your attention to this issue.

Sincerely,

Joseph Centeno, Chair
Santa Barbara County Board of Supervisors

CC: Honorable Arnold Schwarzenegger
Mr. David Maxwell-Jolly, Director, CA Department of Health Care Services
Mr. John Wagner, Director, CA Department of Social Services
Assemblymember Nava
Assemblymember Blakeslee
Senator Tony Strickland
Members, Board of Supervisors
Kathy Gallagher, Director, County Department of Social Services
Monica Miller, Governmental Advocate, Inc.

Kelly Brooks, Legislative Representative, CSAC