

SANTA CLARA COUNTY'S CHILDREN'S HEALTH INITIATIVE: THE INFLUENCES OF ENVIRONMENTAL ISSUES ON EXECUTIVE DECISION MAKING PROCESS

Don Edwards*

EXECUTIVE SUMMARY

This case study describes the influences of the Social-Economic, Political, Technology, and Competitive environment in Santa Clara County that drives the Executive Management decision-making process. Whether a program is mandated or discretionary, understanding the influences of these environmental drivers are key to developing effective organizational strategy.

Santa Clara County is strongly influenced by the success and failure of the technology industry: socially, economically, politically, technically, and competitively. The first four influences have weighed heavily on the entire nation as the technology industry goes through its current Dot.Com shakeout. In the late 1990s, millions of dollars were thrown at any company with a Dot.Com in its name. Instant millionaires became commonplace, politicians made Santa Clara County a "rite-of-passage", and California treasuries experienced an unparalleled growth in its surplus. Real estate values went through the roof and affordable housing had all but disappeared. Then the Dot.Com bubble burst and was followed closely by an energy crisis that threatens to extend itself throughout the Nation.

Through it all, the low-income worker, the immigrant, and particularly the children, remain dependent on the Social Service Agency's safety net. Even during the latest economic boom with unemployment rates as low as 1.7 %, the average income for a client coming off CalWORKs is \$9.20/hr.

These same workers who left the CalWORKs rolls, also inadvertently dropped off the Medi-Cal and Food Stamp even though they remain eligible.

CHILDREN'S HEALTH INITIATIVE

Responding to the changing winds, Santa Clara County's Social Services Agency is moving from a "cash-centric" service delivery model seen by most as an entitlement program. It is moving to a "benefit-centric" program that places emphasis on the working poor who need health insurance, food assistance, and post employment wage growth. Its flagship strategy is the implementation of a new program called the Children's Health Initiative (CHI). This program is a collaboration with Santa Clara Family Health Plan, Health and Hospital System, and the Social Services Agency. The goals for CHI are as follows:

- Offer comprehensive Health Care for every child in the county
- Make eligible families with incomes up to 300% of poverty
- Maximize enrollment for all SSA programs
- Maximize client retention
- Maximize the client's portfolio of services including non-SSA services
- Become client-centric
- Maximize cost effectiveness of service delivery
- Leverage technology for easy to use and easily accessible program enrollment

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RECOMMENDATION

This case study closes with a recommendation to investigate implementation of the Web-based Health-E-App application currently being piloted by San Diego County and under consideration by Santa Clara County's CHI project team.

How it works

- The application allows a client to apply, with or without the help of an Employment worker or Certified Application Assistant
- Health-E-App provides preliminary eligibility decision in real time Healthy-Families application automatically selects health plans and providers
- The applicant electronically submits Health-E-App
- The application is electronically sent to the Healthy-Families program office or to the County for final Medi-Cal determination
- The applicant is notified by Healthy-Families or the county of program enrollment

Benefits include:

- A consumer-friendly way to apply for public health insurance
- Reduced error rates on applications because of improved accuracy and completeness
- Improved enrollment efficiency due to the elimination of manual data entry
- Reduced enrollment costs
- Expanded opportunities for off-site enrollment at schools, health fairs, and Women Infants and Children (WIC) sites

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INTRODUCTION

Whether the industry is finance/banking, health care, or social services, there are environmental forces that influence executive management decision making and strategic direction. Economic questions include whether you can make enough money to meet daily commitments, and whether you can afford to live in the community in which you work. It also includes the economic climate of the community and whether the businesses and government agencies are capable of generating enough revenue to keep unemployment at a reasonable level. In California today, a major economic concern is the cost of energy and what that means to the very poor who find it tough enough already to make ends meet. Politically, questions include which political party is in power and, for example, their approach to solving California's energy crisis. Local politics, even more than national politics, will determine which social programs get priority funding. Technology has played a significant role economically, politically, and socially.

The "Dot.Com" boom in the late 1990's has created an unprecedented number of millionaires seemingly overnight. Concurrently, it generated an "unheard of" real estate market that saw home prices soar to record heights, vacancy rates were near zero making low cost housing an exception rather than the norm. But by the end of the year 2000, the boom economy bubble had burst and what followed were many Dot.Com companies closing and thousands of

highly skilled workers being laid off. While the highly skilled workers can find new jobs within weeks, many of the low-wage earners whose jobs were clerical and/or janitorial, find themselves back on the Social Service Agency's client rolls. Competition remains fierce in the telecommunications technology industry as product development in the private industry marches on. On the other hand, in the public sector social services competes with itself. Social services agencies must seek out ways of reaching, not just the traditional client, but new client markets not considered before. This case studies the influences of the socioeconomic, political and technological environment on county decisions and describes Santa Clara County's response to these environmental challenges. It provides recommendations for Alameda County to implement Health-E-App within the Children's Health Initiative.

SANTA CLARA'S ECONOMIC AND SOCIAL ENVIRONMENT

According to a 1998 California legislative analyst report, Santa Clara County's population is approximately 1.76 million. The median price for a single family home in year 2000 was \$557,000. Many of those homes sold for up to \$100,000 over asking price. According to the San Jose Mercury News, median family income is \$87,000. According to Santa Clara County SSA's Annual Report, the unemployment rate had declined to 3.2% in October 1999.¹ By the second quarter of 2000,

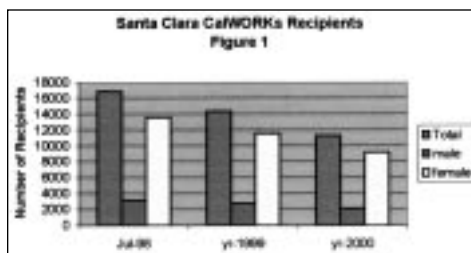
¹Santa Clara County Social Services Agency, CalWORKs Program, Annual Report October 2000

that rate dropped to 1.7%. Even while considering the latest downturn in the economy and retrenchment of the Dot Com industry, most experts believe Santa Clara County will continue to thrive.

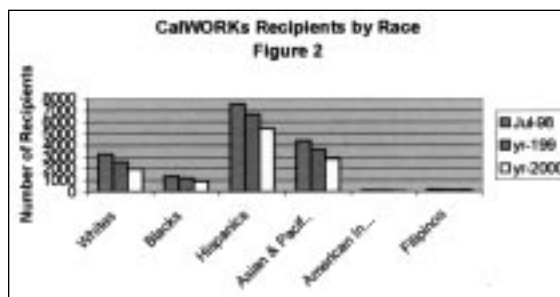
EMPLOYMENT & BENEFIT SERVICES (CALWORKS TRENDS IN SANTA CLARA COUNTY)

Despite the rosy outlook of Santa Clara's economic future, low-wage workers continue the struggle to support their families. An unprecedented rise in rents plus a critical shortage in affordable housing in the county remain critical barriers to economic stability for many. As a result, Santa Clara's Social Services Agency (SSA) must continue the role of safety net for its most needy population.

As you can see from Figure 1 below, CalWORKs



recipient caseloads dropped from a high of 16,330 in July 1998 to approximately 11,330 in 2000.² In 2001, the number has dropped even further to 7,000 recipients. You can also see that women continue to dominate those receiving CalWORKs aid. Figure 2 further illustrates the fact that minorities, (Hispanics and Asians in particular) dominate the CalWORKs landscape in Santa Clara County.



Finally, even though Santa Clara County's CalWORKs program has been successful at substantially reducing its recipient rolls, the average hourly placement wage in FY 2000 was \$9.20.³ This wage is substantially below earnings considered needed for self-sufficiency at \$20.60.⁴ Unfortunately, many clients inadvertently discontinue Medi-Cal and Food Stamps even though they remain eligible to receive them. This is an opportunity for the Social Services Agency to assist these clients and their children by re-enrolling them in one of the Children's Health Initiatives (CHI).

FAMILY & CHILDREN'S SERVICES

There is a disproportion of African American children in the Social Services Agency's (Agency) child protection system (60%) compared to the number of African Americans living in Santa Clara County (4%). Unfortunately this is not uncommon as the ratio in San Francisco is 70% and 6% respectively.⁵ These numbers raise the question of institutional racism. However, rather than dwelling on the negative, Santa Clara is utilizing up-front preventive services with the intent of keeping kids in their homes as much as possible. To date, according to the FCS Director, Santa Clara County has reduced the number of kids in their system from 3000 to

²Employment Development Department www.calmis.cahwnet.

³Santa Clara County Social Services Agency, CalWORKs Program, Annual Report, October 2000, pg. 8.

⁴Employment Development Department statistics for a family of 3.

⁵Interview data from Santa Clara County's FCS Director, April 9, 2001.

2500. They are doing it with Wraparound services that utilize the Family Conference Model, which brings to bear community and professional services that address all of the family's needs. According to the Family and Children's Services (FCS) Director, "This system is designed to remove the risk from the family rather than removing the child from the family."

Foster Care in Santa Clara County

The county's greatest challenge for the recruitment and retention of families is the fact that it is one of the most expensive areas in the nation to live. As a result, many foster families leave the county and move to less expensive areas like Modesto, Napa, or Sacramento. The challenge for the county is providing financial support to families for childcare to make its recruitment goals achievable. Those goals include 100 foster homes in FY 2001 and a linkage system that helps emancipated youth:

- Obtain their GED
- Gain self sufficiency
- Participate in CalWORKs and mentoring programs

Additional goals are to implement a comprehensive health insurance program and an online system that can track foster care vacancies as they become available.

CHILDREN'S HEALTH INITIATIVE⁶

Santa Clara has responded to the environmental and foster care challenges with an entrepreneurial spirit that has created a new product called Children's Health Initiative (CHI). Santa Clara County has an estimated 71,000 uninsured kids,

approximately 50,000 uninsured but eligible for Medi-Cal and Healthy Families. In January of this year, Santa Clara County launched a new program called Healthy Kids. Children whose families have incomes up to 300% of the Federal Poverty Level (FPL) are eligible for the Healthy Kids insurance program. The county believes there are another 20,000 Kids eligible for this program.

The county's goal is to enroll every eligible child into one of three insurance programs: Medi-Cal, Healthy Families (incomes up to 250% FPL), and Healthy Kids. Healthy Kids will be administered by the Santa Clara Family Health plan. Outreach efforts for Healthy Kids will be coordinated through the Health and Hospital System. Medi-Cal will continue to be managed by the Social Services Agency. The initial goal of the program is to register 2,200 new children in the first six months for Healthy Kids and 7,150 new enrollees for Medi-Cal and Healthy Families by June 30, 2001.

Additional milestones include:

- An increase in new applications using FY 2001 as a baseline
- Higher ratio of percent "approved" versus percent "denied" for new applications
- Percentage increases in revenue to the county

CHI pioneers universal health care by providing a new accessible, seamless, one-stop and customer oriented application process and a comprehensive insurance product that includes dental and vision care.

Other characteristics of this "Single-Point-of-Service" program include:

⁶Project Charter for County of Santa Clara, Children's Health Initiative Project, Prepared by: Deloitte Consulting, December 14, 2000

- Customers are engaged by a worker conversant in all three programs (Medi-Cal, Healthy Families, and Healthy Kids);
- There is a focus on outreach, enrollment and retention;
- A worker is the single point of contact between the customer and the county from screening to enrollment;
- A worker will assist the customer in completing the application and assures the application is properly completed so that it can be processed appropriately;
- Clients are provided with flexibility in application times (i.e. after work hours or on weekends) as well as flexibility in location (schools, clinics, supermarkets, home visits, etc.); and
- Return visits and wait time are minimized.

Key to the success of this program is the county's ability to address its internal and external challenges as well as seizing the opportunities presented to them. For example, one of the biggest challenges is changing the paradigm of a "cash-centric" organization to a "benefits-centric" organization. TANF is essentially an entitlement program for those who need cash assistance for survival. Additionally, social service agencies tend to treat their clients with little respect, requiring them to do business on the welfare department's terms. Regular business hours are often a burden to low-wage earners who must take time from their low-paying jobs and go to the social service office in order to meet benefit requirements. An opportunity for a paradigm shift would be if the Agency would open its offices after 5PM and on weekends. Agency offices could be located in easily accessible

community offices, schools, churches, and supermarkets. The shift would see customer services driven eligibility workers who would provide the kind of service you would expect at a bank or major department store. A shift in paradigm would create client applications for new and/or additional benefits that are easy to understand, and workers eager to help the clients at every step of the process.

Performance Based Budgeting (PBB)⁷

Another challenge is learning to focus on the results and the value delivered to the client. Santa Clara County's SSA plans to do this with increased accountability and responsiveness by implementing a performance-based budgeting approach that is aligned with the CHI project goals. The Social Services Agency's Department of Employment and Benefit Services (DEBS) has established a comprehensive program of performance measurement by results. Working with labor representatives, supervisors, and line staff, all DEBS Social Services Program Managers have submitted and are tracking and refining office initiatives in support of the six DEBS PBB Priority Goals for FY 2001:

- Ensure maximum participation in the CalWORKs program
- Increase the number of eligible families who receive health coverage
- Reduce hungry families through the utilization of safety net services
- Maintain and improve the safety net services for clients through General Assistance, Cash Assistance Program for Immigrants, and Supplemental Security Income
- Maintain and improve the quality of employment and benefit services

⁷Santa Clara County DEBS Performance Based Budgeting Project Plan, 4/10/01

- Facilitate and support the working poor in achieving self-sufficiency

Health-E-App⁸

Critical to the success to CHI is a new web-based application called Health-E-APP. This system, which is currently under pilot with San Diego County, is the point of entry system Santa Clara may use when it becomes available. In October, 1998, the Medi-Cal Policy Institute released a report: *Opening the Door: Improving the Healthy Families/Medi-Cal Application Process*. The report provided guidance to the State on simplifying the 28-page joint Healthy Families and Medi-Cal Application Process. The intent is to streamline the enrollment process for both programs.

San Diego County conducted the pilot test of the Health-E-App application. It involved two tests, one controlled test and the other an expanded test. The tests were conducted in the community, private clinics, and with community-based organizations that conduct outreach and enrollment at schools. Phase one was a controlled pilot conducted during a two-week period in December, 2000 at the Comprehensive Health Center in San Diego. Four Certified Application Assistants (CAAs) submitted 42 applications to the system. Even though there were minor problems initially, the CAAs were impressed with the application.

The expanded pilot involved five sites in San Diego County. At this point they used high speed Internet access and high capacity computers. Additionally some sites were equipped with notebook computers and wireless modems to allow for enrollment in schools, and in one applicant's home.

Benefits of the program include:

- A more consumer-friendly way to apply for public health insurance
- Reduced error rates on applications by improving the accuracy and completeness
- Improved efficiencies of the enrollment process by elimination manual data entry
- Reduced enrollment costs
- Expanded opportunities for off-site enrollment at schools, health fairs, Women, Infants, and Children (WIC) sites
- Increased enrollment in Healthy Families and, once adapted, Santa Clara County's Healthy Kids program
- Improved accountability by creating an administrative system that tracks and reports payments and tracks application disposition and payment status
- Multiple language access

RECOMMENDATION FOR ALAMEDA COUNTY'S SOCIAL SERVICES AGENCY

Santa Clara County's Children's Health Initiative Program is a collaboration with the Santa Clara Family Health plan, the Health and Hospital System, and the Social Services Agency. This forward thinking initiative has one major goal: to assure every child in the county has comprehensive health insurance. The highlight of Web-based Health-E-App system is its ability to eliminate the seemingly insurmountable task of enrolling/re-enrolling clients into Medi-Cal and Healthy Families. The elimination of manual data entry, and the opportunity to reach clients at the schools, WIC sites and at home, is extremely compelling. It is my recommendation that Alameda County's Social Service Agency actively pursue CHI and an oppor-

⁸www.Healtheapp.org

tunity to participate in the implementation of the new Health-E-App when it becomes available. Like Santa Clara, we suffer the same Medi-Cal and Food Stamp falloff of clients as they leave the CalWORKs rolls, yet remain eligible for these programs. The current enrollment and/or re-enrollment process is so labor intensive that it discourages clients from obtaining health and other services that they are qualified for. A system that can eliminate the manual process, speed up the qualification process, and produce immediate preliminary approval is most desirable for both the client and the Agency as well.

Implementation of this system would contain many of the same elements, which Santa Clara County plans to incorporate:

- Single-point-of-service
- EW/CAAs knowledgeable of multiple programs
- Collaboration with Health Services and the County Hospital for a holistic approach to service
- Outreach to the schools and other community locations
- Ability for clients to use the system from home

The project could be co-lead by SSA, the Health Department, and the County Hospital and would seek funding from State reimbursement and Prop 10 monies.

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