



## **Joint Legislative Budget Commission**

# **ZERO-BASED BUDGETING SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES**

**Committee Meeting Packet  
for  
Thursday, November 8, 2001**

***(Please bring this packet to the committee meeting.  
Duplicate materials will not be available.)***

## AGENDA

### JOINT LEGISLATIVE BUDGET COMMISSION ZERO-BASED BUDGETING SUBCOMMITTEE HEALTH AND HUMAN SERVICES

**MEMBERS:** Senator Ron Silver, Chairman  
Senator Tom Rossin  
Senator Durell Peaden  
Representative Sandy Murman  
Representative Evelyn Lynn  
Representative Jerry Maygarden

**DATE:** Thursday, November 08, 2001

**TIME:** 10:00 AM - 2:00 PM

**PLACE:** Room 412 Knott

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**I. Agency Presentation on Zero-Based Budgeting**

**Department of Elder Affairs**

Ms. Susan Tucker  
Assistant Secretary, Director of Fiscal Management and Contracts  
Department of Elder Affairs

**II. Status Reports on Zero-Based Budgeting Reviews**

**Department of Children and Families**

*Mental Health and Substance Abuse Programs*

Mr. Robert T. Wigen  
ZBB Team Leader  
MAXIMUS, Inc. Consulting Group

*Developmental Services Program*

Mrs. Stephanie Massengale  
Legislative Analyst  
House Fiscal Responsibility Council, Health and Human Services Appropriations

**Department of Elder Affairs**

Ms. Elaine Peters  
Chief Legislative Analyst  
Senate Appropriations, Subcommittee on Health and Human Services

### **III. Presentation of Preliminary Recommendations**

#### **Department of Veterans' Affairs**

Mr. Tim Sadberry  
Senior Legislative Analyst  
Senate Appropriations, Subcommittee on Health and Human Services



**Department of Elder Affairs**

**Zero-Based Budget Review**

**Presentation for:**

**The Florida Legislature,**

**Legislative Budget Commission**

**October 8, 2001**

# Agenda



**Vision Statement**



**Mission Statement**



**Goals**



**Budget Entities**



**Activities**



**Future Endeavors**

# **Vision Statement**

**“To lead the nation in  
providing older persons  
with information, choices,  
and opportunities.”**

# **Mission Statement**

**“To advocate and serve Florida’s elders. To promote and implement long-term care policies and procedures that are elder friendly. To plan, coordinate, administer and initiate programs and services that empower elders and their caregivers to age in place, with dignity, security, purpose and in an elder-friendly environment.”**



# Goals

- **Goal 1 - Age in Place.**
- **Goal 2 - Age with Security.**
- **Goal 3 - Age with Dignity.**
- **Goal 4 - Age with Purpose.**
- **Goal 5 - Age in an Elder-Friendly Environment.**

# Four Budget Entities

**Home and  
Community  
Based  
Services**

**Comprehensive  
Eligibility  
Services**

**Consumer  
Advocate  
Services**



**Executive Direction and Support Services**

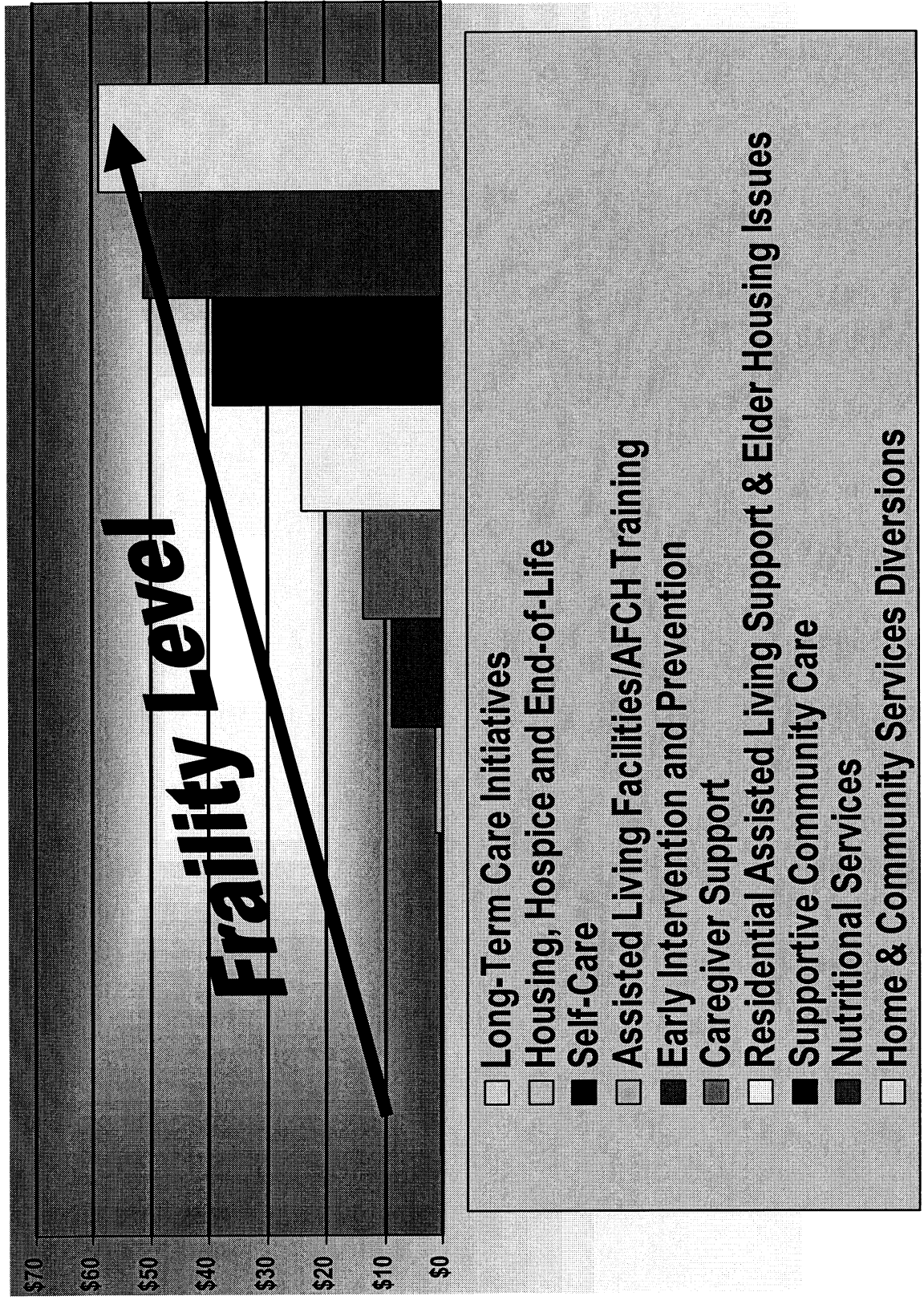
# **Executive Direction and Support Services Purpose**

Executive Direction and Support provides accountability, maximizes resources, oversees the proper allocation and use of taxpayer dollars, emphasizes cost containment, and fosters competition and new partnerships. Specifically, it directs operations to produce cost-effective programs to assist the most frail and vulnerable elders in attaining needed services and addresses long-term care issues including alternatives to cost-prohibitive institutionalization.

# **Executive Direction and Support Services Service Outcome**

**Percent of agency administration  
and positions compared to total  
agency cost and positions  
(2.7%/21.2%)**

# Florida Department of Elder Affairs FY 01-02 Expenditures by Activity



# **Home and Community Based Services Purpose**

Home and Community Based Services allows elders to age in place with dignity, security, and prevents or delays nursing home placement. The major focus is on providing services for elders, who are at high risk of nursing home placement due to their degree of frailty, in their own homes or other less restrictive community alternatives, such as assisted living. These services are outsourced to not-for-profit and for profit organizations.

# **Home and Community Based Services Service Outcome**

**Percent of most frail elders who  
remain at home in the community  
instead of going into a nursing  
home.**

**Assisted Living Facilities/ Adult Family  
Care Home Training  
Activity Outcome**

**Percent of Assisted Living Facility  
and Adult Family Care Home  
participants passing the competency  
test [applies to ALF/AFCH training]  
(80%)**



**Self-Care and  
Early Intervention/Prevention  
Activities Outcomes**

**1. Percentage of Elder Helplines  
with an excellent rating on the Elder  
Helpline evaluation instrument  
(proposed)**

**Self-Care and  
Early Intervention/Prevention  
Activities Outcomes**

**2. Percent of consumers satisfied  
with the quality of insurance  
counseling received (proposed)**

**Nutritional Services  
for the Elderly  
Activity Outcome**

**Percent of new service recipients with  
high-risk nutrition scores whose  
nutritional status improved (61.6%)**

## **Caregiver Support Activity Outcome**

**Percent of family and family-assisted  
caregivers who self-report they are  
very likely to provide care (88.9%)**

**Supportive Community Care;  
Home and Community Services; Residential Assisted  
Living Support and Elder Housing Issues;  
Long-Term Care Initiatives.**

**Activities Outcomes:**

**1. Percent of Adult Protective  
Services (APS) referrals who are in  
need of immediate services to prevent  
further harm who are served within  
72 hours (95%)**

## **Activities Outcomes (continued)**

- 2. Percent of most frail elders who remain at home or in the community instead of going into a nursing home (93%)**
- 3. Average monthly savings per consumer for home and community-based care versus nursing home care for comparable client groups (\$2,384)**

## **Activities Outcomes (continued)**

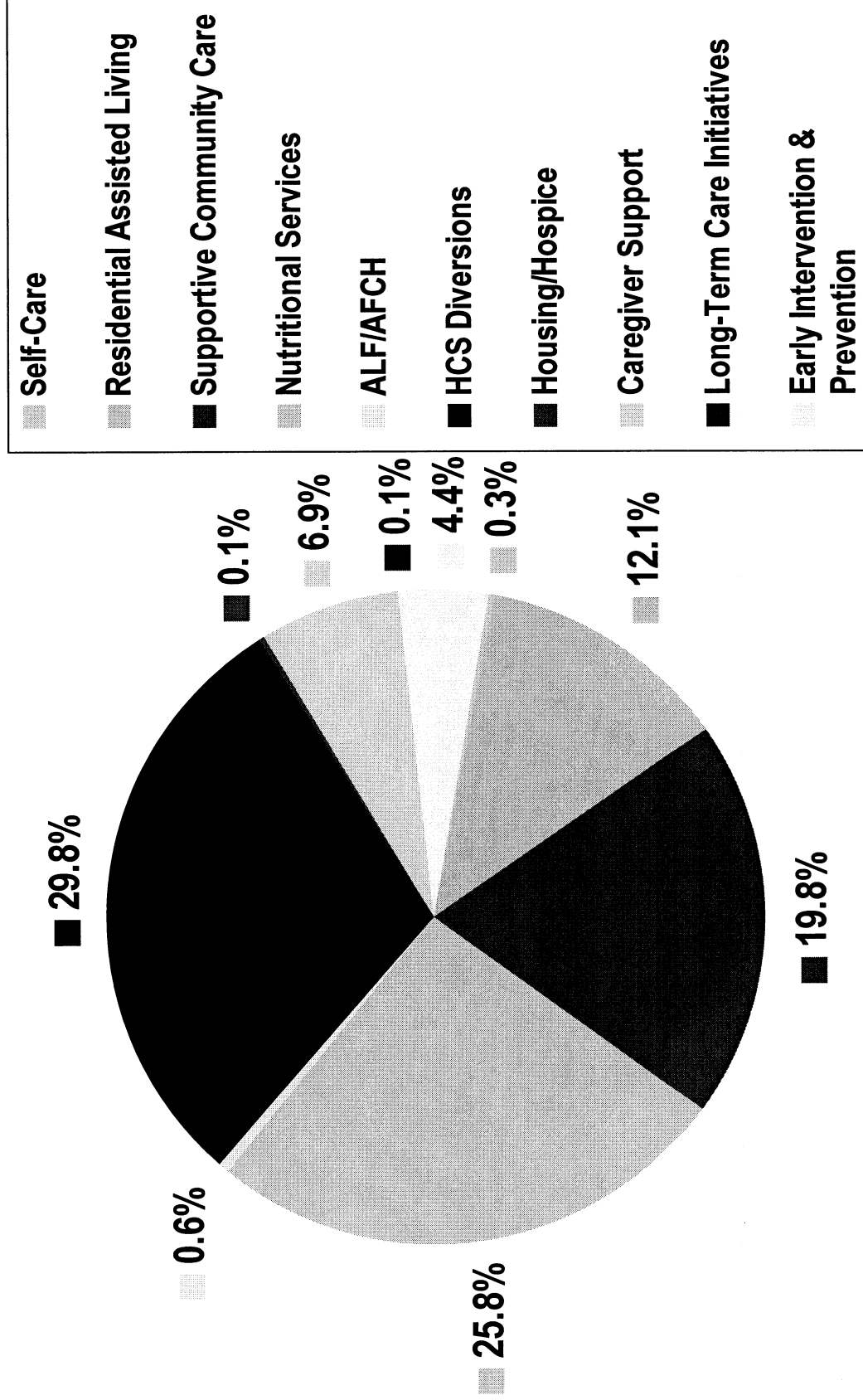
- 4. Percent of elders assessed with high or moderate risk environments who improved their environment score (65.9%)**
- 5. Percent of new service recipients whose ADL assessment score has been maintained or improved (63%)**

## **Activities Outcomes (continued)**

- 6. Percent of new service recipients whose IADL assessment score has been maintained or improved (62.3%)**
- 7. Percent of Community Care for the Elderly clients defined as "probable Medicaid eligibles" who remain in state-funded programs (6.15%)**



# Home & Community Based Services Expenditures by Activity



# Comprehensive Eligibility Services

## Purpose

The purpose of the Comprehensive Assessment and Review for Long Term Care Services (CARES) is to: identify the degree of frailty; establish appropriate level of care (medical eligibility for nursing home care); recommend the least restrictive, most appropriate placement and services, to avoid self-referrals, to avoid the elimination of choice, and to assure independent and objective assessments.

# **Comprehensive Eligibility Services Service Outcome**

**Percent of elders the CARES  
program determined eligible for  
nursing home placement who are  
diverted.**

# **Consumer Advocate Services Purpose**

**Consumer Advocate Services ensures the security of vulnerable elders by providing quality assurance functions for elder Floridians to voice concerns and have those concerns addressed. Consumer Advocate Services has in place time limited complaint/investigation mechanisms relating to long-term care provision of services within nursing homes and provides guardianship plans to protect assets and choices for vulnerable frail elders.**

# **Consumer Advocate Services**

## **Service Outcome**

**Percentage of service activity on behalf of frail or incapacitated elders initiated within 5 days of receipt (90%)**

# **Long-Term Care Ombudsman Council**

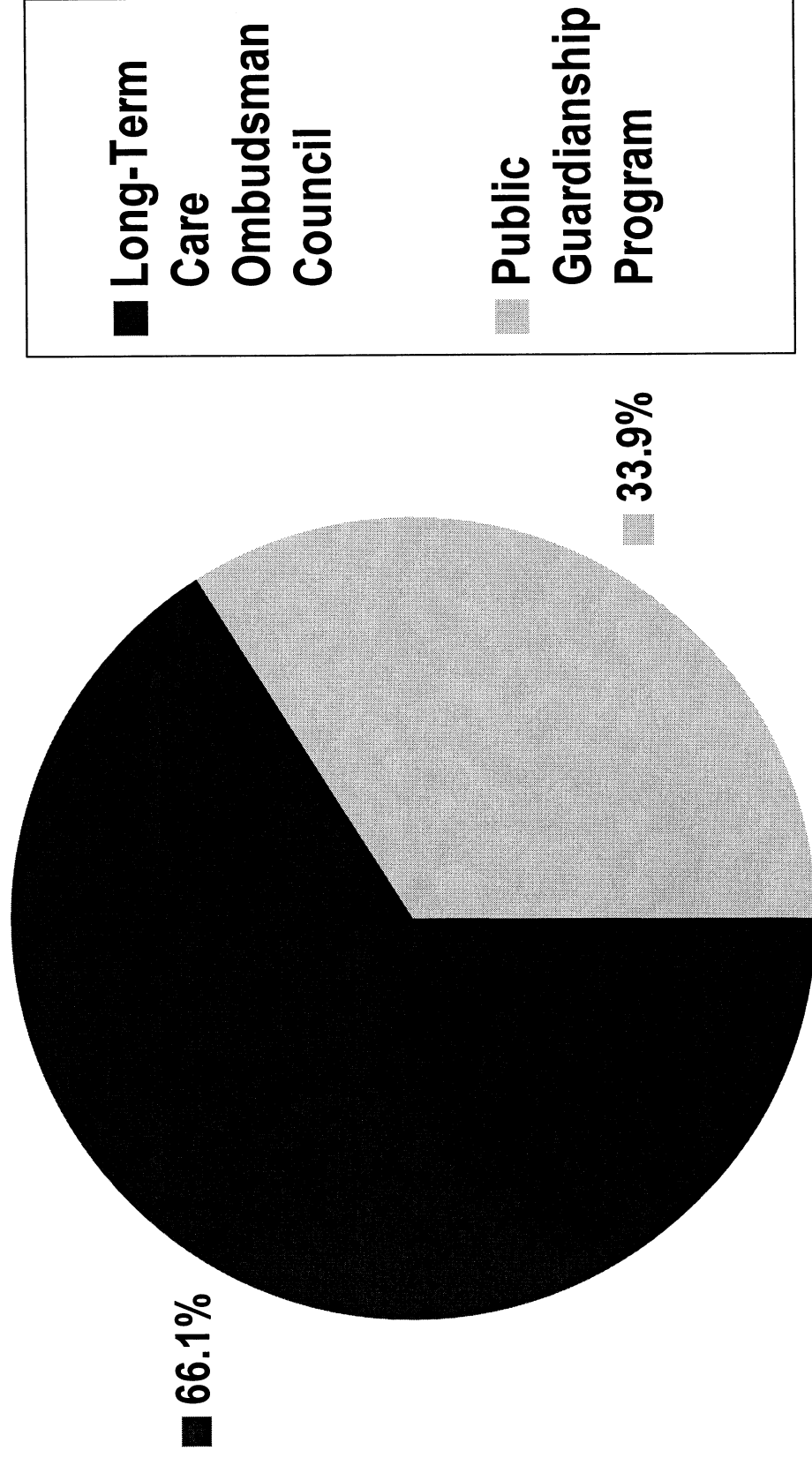
## **Activity Outcome**

**Percent of complaint investigations initiated by the ombudsman within five working days (90%)**

# **Public Guardianship Program Activity Outcome**

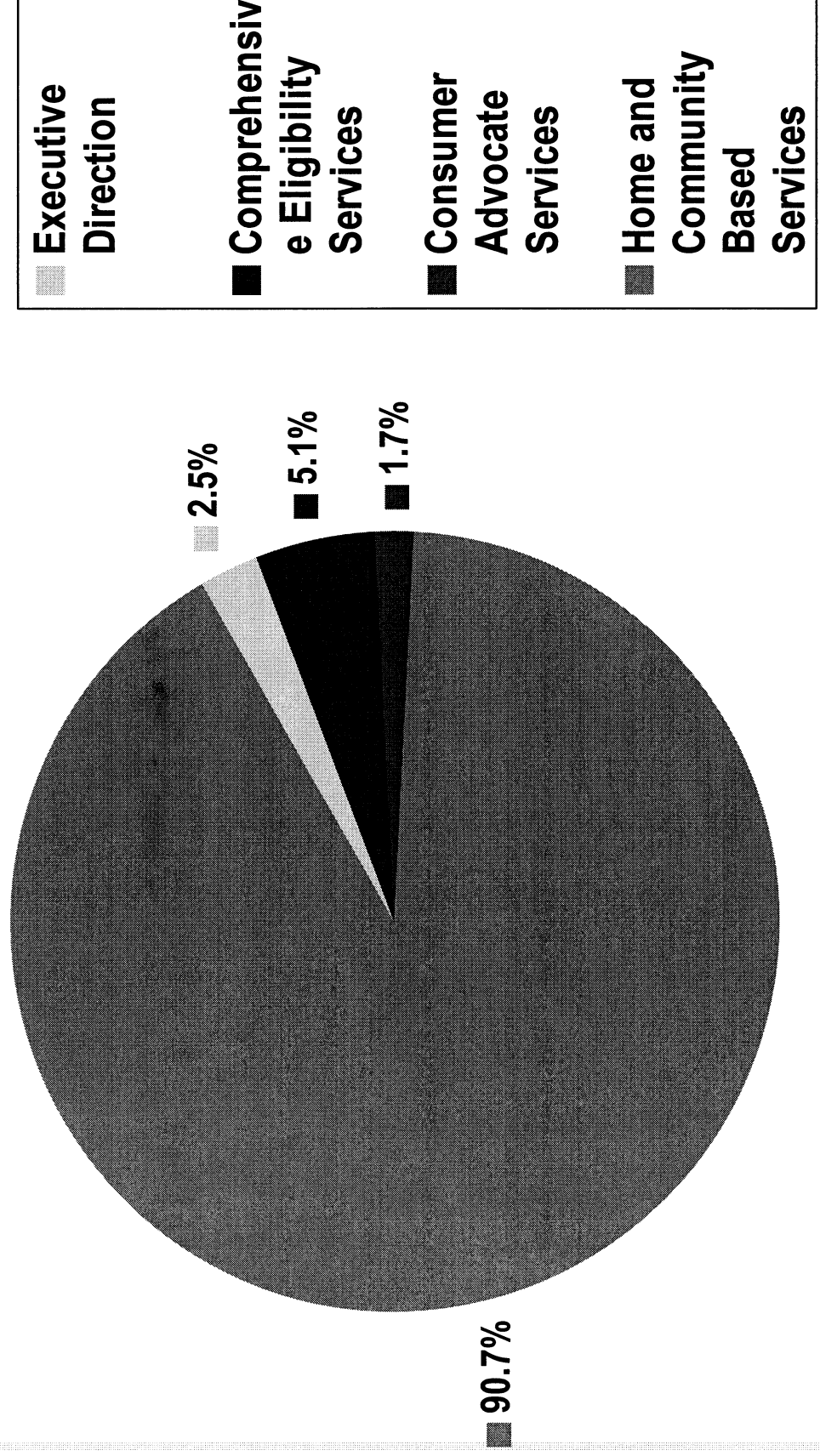
**Percent of service activity on behalf of  
frail or incapacitated elders initiated by  
public guardianship within 5 days of  
receipt of request (90%)**

# Consumer Advocate Services Expenditures by Activity





# FY 01-02 Expenditures Percentage Comparison by Budget Entity



# **Future Endeavors**

- 1. Integrate Zero-Based Budget Review findings and recommendations into Department of Elder Affairs Long-Range Program Plan.**
- 2. Create an integrated financial management system that provides more robust reporting capabilities.**

# **Future Endeavors**

- 3. Engage in detailed process mapping of each business process activity.**
- 4. Engage in formal benchmark studies for each business process activity.**

# **Future Endeavors**

- 5. Continue to explore service delivery options and alternatives with other stakeholders to generate cost savings for Floridians.**
- 6. Continue to examine and develop a comprehensive “family of measures” for each business process activity**

# **Department of Elder Affairs**

# **Zero-Based Budget Review**

**Presentation for:**

**The Florida Legislature,  
Legislative Budget Commission**

**October 8, 2001**



**Zero Based Budgeting Analysis:  
Mental Health and Substance Abuse Programs  
Florida Department of Children and Families**

**Project Status Report  
to the  
Joint Legislative Committee on ZBB**

**MAXIMUS**  
HELPING GOVERNMENT SERVE THE PEOPLE®

**November 8, 2001**

# Introduction

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- Project Purpose
- Work Plan and Methodology
- Work Products
- Activity to Date
- Activity to be Performed
- Project Issues
- Preliminary Observations



# Project Purpose

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- ❑ **Legislative Budget Commission has retained MAXIMUS, Inc. to prepare a zero based budget analysis of the Department of Children and Families’**
  - **Substance Abuse Program**
  - **Mental Health Program**
- ❑ **The purposes of this project are:**
  - **Compliance with timing of the Legislature’s ZBB initiative**
  - **Independent review of the respective programs**
  - **Identification of alternative methodologies for future use**
  - **Knowledge transfer to enable Legislative and Departmental staff to be more effective in the future.**

# Work Plan and Methodology

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- For each Program, the analysis includes:
  - Project initiation
    - ✓ *Materials preparation*
    - ✓ *Scheduling of interviews and data collection*
  - Identification of Business Processes and Activities
    - ✓ *Review of submissions*
    - ✓ *Collection and evaluation of budget data*
    - ✓ *Interviews with departmental and legislative staff*
  - Review of Program Information

# Work Plan and Methodology (con't.)

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- Analytical Process (continued)
  - Business Process Evaluation
    - ✓ *Key activities and subactivities*
    - ✓ *Process flows*
    - ✓ *Identification of areas for improvements and project cost impacts*
  - Project Review Meeting
  - Information Transfer
    - ✓ *Completion of forms provided by the Legislature*
    - ✓ *Specific recommendations for budget adjustments*
  - Preliminary Report

# Project Work Products

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- **During the course of the project, we will develop and review several key work products:**
  - *Activity Summaries*, describing our understanding of the program as it currently functions: *Drafts distributed to Department for review*
  - *Working Recommendations*, identifying issues within the program and recommendations for more detailed analysis
  - *Preliminary Report*, which presents our complete analysis and recommendations, in form provided by the Legislative Budget Commission staff

# Work Activity to Date

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- ❑ Interviews with managers, employees and external agencies
- ❑ Collection of documentary materials pertaining to program operations, such as
  - Work volume and financial reports
  - Policies and procedures
  - Program evaluations
  - Other management reporting
- ❑ Development of specific analytical data, including process mapping, as appropriate
- ❑ Preparation of draft activity summaries

# **Work Activity to be Performed**

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- Work retreat with key Department, district, and program leaders and legislative staff to discuss field operations of mental health and substance abuse programs**
- Survey of key Department, district, and program leaders to develop analytical matrix of program performance and mission importance**
- Continued analysis of information gathered**

# Project Issues

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- ❑ **Change in project calendar**
  - **Work suspended during Special Legislative session**
  - **Currently revising work calendar**
  - **Will meet deadline for final reporting**
- ❑ **Level of budget and program detail**
  - **Department aggregates information at very high level of detail**
  - **Integration of administrative costs make it difficult to identify full program costs**
- ❑ **Department organization**
  - **High level of programmatic discretion at District level**
  - **Integration of mental health and substance abuse at District level but not at central administrative level**

# Preliminary Observations

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- **Case management**
  - **Very fragmented**
  - **Suncoast Region experiment with integrated case management**
  - **Integrated case management would appear to provide best opportunity for program efficiencies**
- **Contract service delivery**
  - **Department is almost entirely privatized**
  - **Other options might include case management, quality assurance review**
- **Integration of mental health and substance abuse programs**
  - **Essentially integrated at the field level**
  - **Possible reconsideration of administrative separation at Departmental level**





# Program Level Summary

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program

Budget Entity or Service	Modify /Reduce Funding	Statutory Changes	Reorganizations or Transfers	Reengineer Processes	Potential Privatization	Performance Improvements Needed
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Service: Veterans' Homes						
Activity: Nursing Home, Daytona Beach					X	
Activity: Nursing Home, Land O'Lakes					X	
Activity: Nursing Home, Pembroke Pines					X	
Activity: Domiciliary Home, Lake City					X	X

## Zero Based Budget Review Recommendations by Service & Activity - 2001

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program
Service:	Veterans' Homes

### PRELIMINARY

1. Should the state continue to perform this Service?      X   YES    \_\_\_\_\_ NO

*The State Veterans' Nursing Homes are virtually self-supporting institutions funded from the Operations and Maintenance Trust Fund. Other than state match for construction and start-up funding during a home's first 12 – 18 months of operation, little General Revenue is spent on the veterans' home. The trust fund's resources are derived from resident co-payments, U.S. Veterans' Affairs per diem payments, Medicaid, Medicare, third-party insurance payments and miscellaneous receipts. Only 17.5 % of residents receive Medicaid benefits because of the other sources of income and payments. This compares to private nursing homes of which 85% of residents receive Medicaid benefits.*

2. Are there any areas where performance is not meeting expectations for this service?

No.

*The following information pertaining to performance measure outcomes indicated in the 2000-2001 General Appropriations Act, Chapter 2000-166, Laws of Florida, were as follows:*

A) *Veterans Homes Occupancy Rate for homes in operation for 2 years of longer  $\geq$  85%:*

*The Homes met the following occupancy levels for the 2000-2001:*

*Domiciliary Home – Lake City, 84%;*

*Nursing Home – Daytona Beach, 89%;*

*Nursing Home – Land O'Lakes, 75% (Home opened in April 1999)*

*Veterans' Homes met and exceeded their performance measure outcomes for occupancy rate during this fiscal year for the two homes that had been in operation for two years or more.*

3. Based on the information provided, should each activity within this service continue to be performed by the state and, if continued, should funding be modified per questions 3.1 through 3.6?

Activities (Business Processes)	FY 01-02 Est. Exp.	FTE	YES	NO	Modify
1.Nursing Home, Daytona Beach	\$7,074,962	120.0	X		X
2.Nursing Home, Land O' Lakes	6,586,308	130.0	X		X
3.Nursing Home, Pembroke Pines	4,896,943	42.0	X		X
4.Domiciliary Home, Lake City	2,847,294	58.5	X		X
Total Service	\$22,405,457	350.5			

3.1 Provide detailed reasons for activities NOT being recommended for continuation.

*N/A*

3.2 Are there any areas where the agency could improve performance by re-engineering any activity?

**Modification Recommendations Summary**

- 1) *Transfer positions and funding to the Veterans' Homes Service:*
  - a) *Director, Veterans' Homes (transferred from Executive Direction/Support Service)*  
*Fund Shift 3 positions, \$219,433 from GR to Trust*
- 2) *Add new Activities:*
  - a) *Nursing Home, Panama City, Florida*
  - b) *Nursing Home, Port Charlotte, Florida*
- 3) *Fund shift Daytona Beach NH Administrator position and \$95,133 from GR to Trust.*
- 4) *Address staffing levels as mandated by Senate Bill 1202, Chapter 2001-45, Laws of Florida.*

**Background Information**

*1a) Transfer this activity's positions and \$219,433 from the Executive Direction and Support Service budget entity to Veterans' Homes. Funding for the positions will also be shifted from GR to Trust.*

**Position Classifications:**

*Health Services & Facilities Consultant*  
*Registered Nurse Consultant*  
*Program Director – Veterans Nursing Homes*

*2) Create new activities for the two new nursing homes to be completed March 2003.*

3) *Nursing Home – Daytona Beach: \$95,133 shift from GR to Trust for Administrator position. This is a health care management position that should be funded from the Operations and Maintenance Trust Fund.*

4) *Senate Bill 1202, Chapter 2001-45, passed during the 2001 Legislative Session requires nursing homes to meet increased staffing level hours per patient. This bill did not include the Department of Veterans' Affairs. Chapter 2001-45 funnels the money allocated in the bill through the Medicaid Program. Since only 17.5% of patients receive Medicaid benefits at State Veterans' Nursing Homes, the Department cannot absorb the costs incurred through the Operations and Maintenance Trust Fund. The Department is requesting direct General Revenue funding to increase staffing levels by 86 positions and 2.4 million to meet these legislative mandates. This issue will need to be addressed during budget deliberations for FY 2002-03.*

*Also, the Department should look into using graduate medical education as a mechanism for saving resources in the homes and possibly receiving federal funding.*

3.3 For each activity recommended for continuation, is the current level of efficiency and effectiveness meeting legislative expectations? Describe those deficiencies. Can the deficiency be addressed using current resources?

Yes.

*The following information pertaining to performance measure outcomes indicated in the 2001-2002 General Appropriations Act, Chapter Law 2001-253, Laws of Florida are as follows:*

*Veterans Homes Occupancy Rate for homes in operation for 2 years of longer  $\geq$  90%:*

*The Homes are at the following year-to-date occupancy levels:*

*Domiciliary Home – Lake City, 86%;*

*Nursing Home – Daytona Beach, 95%;*

*Nursing Home – Land O'Lakes, 86%*

*Nursing Home – Pembroke Pines – NA*

*Percent of Veterans' Homes that received Gold Star Certification by AHCA – Outcome TBD:*

*Although Gold Star Certification by AHCA has not been fully implemented, AHCA has placed some information on their website ranking various nursing homes around the state. Only one of the State Veterans' Nursing Homes is ranked – Baldomero Lopez Memorial Veterans Nursing Home in Land O' Lakes. Overall inspection of the home received 4 Stars out of 5 possible.*

3.4. For each activity, identify potential and recommended reductions as follows:

- a. Can any General Revenue be shifted to trust funds?

Yes

- b. List and describe all reductions listed in the 5% LRPP reduction list and the LBR Schedule 8B reduction list (if different). Explain in detail why any of these reductions should or should not be recommended.

*Nursing Home – Daytona Beach: \$95,133 shift from GR to Trust for Administrator position. This is a health care management position that should be funded from the Operations and Maintenance Trust Fund.*

*Director, Veterans' Homes: Fund Shift 3 position and \$219,433 from GR to Trust. These positions are health care management positions and should be funded from the Operations and Maintenance Trust Fund.*

*These fund shifts will free up recurring General Revenue and are recommended.*

- c. List the activities, or components thereof, which are least relevant to or least effective in accomplishing the agency's missions and goals (if not previously listed in "b" above). Should any funding for these activities be redirected to a higher priority activity within this agency or eliminated entirely?

*N/A*

- d. For any LRPP reduction above that you recommend against adopting, develop alternative reduction options to achieve the 5% savings.

*N/A*

3.5. Are there any funding enhancements which would significantly enhance the efficiency or effectiveness of the activities within this service?

*Not enough information is provided by the Department to show significant increases in efficiency or effectiveness of activities by providing funding enhancements.*

3.6 For each recommendation relating to an activity's funding level (whether to eliminate or modify) what are the consequences to the customers of each recommendation?

*If mandated staffing levels created by Chapter 2001-45, Laws of Florida are not maintained, the Department will not be able to maintain current occupancy levels. Thus, they will be serving fewer veterans' long-term care needs at those nursing homes.*

4. Based on a review of statutory authorities for activities and the analysis of customer needs and quality of services provided, are any changes to statutes or other expressions of legislative intent recommended?

*The Auditor General found that state and federal guidelines conflict regarding the disposition of interest earned on resident's personal moneys. Current practice at the Baldomero Lopez Nursing Home has been to keep interest earned on deposit in the resident's account to offset bank service charges. Florida Statute requires that any interest earned be transferred to the Grants and Donations Trust Fund. A bill to delete this requirement from Florida Statutes will be proposed during the 2002 Legislative Session.*

5. Were there any areas in this service which consistently lack adequate information necessary to perform the zero based budget analysis? If so please explain.

*No.*

6. Is there any evidence that quality could be improved or costs reduced through outsourcing or privatizing all or part of the activities within this service?

*As approved by the Legislative Budget Commission, some outsourcing is being piloted in the Pembroke Pines State Veterans' Nursing Home. A report and recommendations for further implementation in the other Veterans' Homes are due to the Legislature by March 2002. It is anticipated that a report from the department will be submitted prior to that deadline since the Legislative Session convenes in January 2002.*

*No determination on Quality of Care through outsourcing has been made at this time. The Department is still working on evaluation criteria.*

*The Department suggests that there have been some cost savings, approximately \$178,000 per year. Included in the pilot project are housekeeping, grounds keeping, certified nursing assistant and food service functions. Currently, outsourcing of the food service function has not been implemented because of the Department's participation in a statewide multi-agency contract presentation on food services. The presentation, set up by DMS, was held on October 9, 2001; negotiations should begin soon.*

7. Should all or some of the tasks or functions within this activity be transferred to a more appropriate service or budget entity where a similar activity exists or to an entity that has a more compatible mission?

*Veterans' Homes is the appropriate service area for these activities.*

8. Are any changes indicated to the mission statements and goals of the LRPP based on your review of statutory authorities and legislative intent for this service and its activities?

*No.*

9. Are there other recommendations at either the Service or Activity Level not addressed in the recommendations above?

*Adding a performance standard to measure Average Length of Stay at the Domiciliary Home in Lake City has been suggested by OPPAGA. The Department is concerned that actual outcomes for residents with more severe health problems may skew numbers and pose problems in reaching any set standards.*





# Program Level Summary

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program

Budget Entity or Service	Modify /Reduce Funding	Statutory Changes	Reorganizations or Transfers	Reengineer Processes	Potential Privatization	Performance Improvements Needed
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Service: Veterans' Claims	D		X			X
Activity: Benefits Claims Process			X			X

# Zero Based Budget Review Recommendations by Service & Activity - 2001

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program
Service:	Veterans' Claims

## PRELIMINARY

1. Should the state continue to perform this Service?      X   YES    \_\_\_\_\_ NO

*For little state-funded investment, Veterans' Claims staff, in partnership with the U.S. Department of Veterans' Affairs and County Veteran Service Officers, provide counseling services and assistance to veterans, their dependents and their survivors with the preparation, submission and prosecution of claims and appeals for state and federal entitlements, as well as applications to correct military records. Such assistance secures compensation, hospitalization, vocational training and other benefits and privileges for veterans and their families that otherwise could cost the state.*

2. Are there any areas where performance is not meeting expectations for this service?

*The outcome measure for this service is the percent increase (over baseline) in the number of veterans' complete "ready to rate" claims processed. The approved standard is a 2% increase every year. For Fiscal Year 2000-01, the 2% baseline was 2,455 claims; 2,135 were actually "ready to rate." The Department did not meet its goal, but staff indicate that a change in the U.S. Department of Veterans' Affairs' adjudication procedures created a delay in processing time.*

3. Based on the information provided, should each activity within this service continue to be performed by the state and, if continued, should funding be modified per questions 3.1 through 3.6?

Activities (Business Processes)	FY 01-02 Est. Exp.	FTE	YES	NO	Modify
1. Benefits Claims Process	\$832,672	18.0	X		X
Total Service	\$832,672	18.0			

3.1 Provide detailed reasons for activities NOT being recommended for continuation.

*None.*

3.2 Are there any areas where the agency could improve performance by re-engineering any activity?

*None.*

3.3 For each activity recommended for continuation, is the current level of efficiency and effectiveness meeting legislative expectations? Describe those deficiencies. Can the deficiency be addressed using current resources?

*There is not sufficient information from the Department to determine if the number of veterans served (output measure) is actually number served and/or number of benefits received.*

3.4. For each activity, identify potential and recommended reductions as follows:

a. Can any General Revenue be shifted to trust funds?

*No. There is no federal reimbursement nor are fees collected from the veterans to perform this activity.*

b. List and describe all reductions listed in the 5% LRPP reduction list and the LBR Schedule 8B reduction list (if different). Explain in detail why any of these reductions should or should not be recommended.

*There are no reductions proposed in the Long Range Program Plan for this activity. There is one Schedule 8B reduction, which is to require everyone to take four hours of leave without pay each bi-weekly pay period for the rest of the fiscal year. While this proposal would reduce the need for General Revenue, it would not increase efficiency or effectiveness of the activity. In fact, claims processing would suffer and the department would fall further behind meeting its performance standards for this activity.*

c. List the activities, or components thereof, which are least relevant to or least effective in accomplishing the agency's missions and goals (if not previously listed in "b" above). Should any funding for these activities be redirected to a higher priority activity within this agency or eliminated entirely?

*None.*

d. For any LRPP reduction above that you recommend against adopting, develop alternative reduction options to achieve the 5% savings.

*Because the majority of the expenditures for this activity is General Revenue funded salaries (97%) with little staff turnover, the remaining option is to entirely eliminate the service since private veterans' organizations, local governments and federal staff participate in helping veterans and their families receive the federal benefits.*

3.5. Are there any funding enhancements which would significantly enhance the efficiency or effectiveness of the activities within this service?

*None*

3.6 For each recommendation relating to an activity's funding level (whether to eliminate or modify) what are the consequences to the customers of each recommendation?

*If the activity were eliminated, veterans and their families would not receive state assistance to maximize U.S. Department of Veterans' Affairs funds and may seek state-sponsored benefits such as Medicaid, or do without.*

4. Based on a review of statutory authorities for activities and the analysis of customer needs and quality of services provided, are any changes to statutes or other expressions of legislative intent recommended?

*None.*

5. Were there any areas in this service which consistently lack adequate information necessary to perform the zero based budget analysis? If so, please explain.

*There is not sufficient information from the Department to determine if the number of veterans served (output measure) is actually number served and/or number of benefits received.*

6. Is there any evidence that quality could be improved or costs reduced through outsourcing or privatizing all or part of the activities within this service?

*While county agencies and private sector veterans' organizations have equivalent or similar positions and functions, the department is collocated with federal staff. This provides direct access to and opportunity for liaison with federal decision makers to determine the most effective way to present the veterans' claims to achieve the greatest benefit.*

7. Should all or some of the tasks or functions within this activity be transferred to a more appropriate service or budget entity where a similar activity exists or to an entity that has a more compatible mission?

*Veterans' Claims and Veterans' Field Services and their corresponding activities should be combined in a new service titled "Veterans' Benefits and Assistance."*

8. Are any changes indicated to the mission statements and goals of the LRPP based on your review of statutory authorities and legislative intent for this service and its activities?

*None.*

9. Are there other recommendations at either the Service or Activity Level not addressed in the recommendations above?

*A new outcome measure is currently being developed by the Department and OPPAGA to address efficiency and effectiveness.*

*The Department's Inspector General should verify the accuracy/validity of the data collected for the approved performance measures, as required.*



# Program Level Summary

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program

Budget Entity or Service	Modify /Reduce Funding	Statutory Changes	Reorganizations or Transfers	Reengineer Processes	Potential Privatization	Performance Improvements Needed
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Service: Veterans' Field Services			X			
Activity: Issue Resolution			X			X

# Zero Based Budget Review Recommendations by Service & Activity - 2001

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program
Service:	Veterans' Field Services

## PRELIMINARY

1. Should the state continue to perform this Service?      X   YES               NO

*Field Services staff provide benefits counseling to all inpatients and outpatients in the U.S. Department of Veterans' Affairs at six medical centers and nine outpatient clinics in Florida, as well as activities such as the Transitional Assistance Program at designated military installations. The focus is the face-to-face help the staff provide to the veterans and their families with originating, determining, verifying, tracking and obtaining treatment, medications, prosthetics and other monetary benefits.*

2. Are there any areas where performance is not meeting expectations for this service?

*None. The outcome measure for this service is the value of cost avoidance because of issue resolution; the standard is \$4,773,600 (the dollar value of benefits received). For Fiscal Year 2000-01, the dollar value of federal benefits veterans received was more than three times the standard--\$16,012,031.*

3. Based on the information provided, should each activity within this service continue to be performed by the state and, if continued, should funding be modified per questions 3.1 through 3.6?

Activities (Business Processes)	FY 01-02 Est. Exp.	FTE	YES	NO	Modify
1. Issue Resolution	\$1,987,042	41.0	X		X
Total Service	\$1,987,042	41.0			

3.1 Provide detailed reasons for activities NOT being recommended for continuation.

*None.*

3.2 Are there any areas where the agency could improve performance by re-engineering any activity?

*None.*

3.3 For each activity recommended for continuation, is the current level of efficiency and effectiveness meeting legislative expectations? Describe those deficiencies. Can the deficiency be addressed using current resources?

*There is not sufficient information from the Department to determine if the number of veterans served (output measure) is actually number served and/or number of benefits received.*

3.4. For each activity, identify potential and recommended reductions as follows:

- a. Can any General Revenue be shifted to trust funds?

*No. There is no federal reimbursement nor are fees collected from the veterans to perform this activity.*

- b. List and describe all reductions listed in the 5% LRPP reduction list and the LBR Schedule 8B reduction list (if different). Explain in detail why any of these reductions should or should not be recommended.

*There are no reductions proposed in the Long Range Program Plan for this activity. There is one Schedule 8B reduction, which is to require everyone to take four hours of leave without pay each bi-weekly pay period for the rest of the fiscal year. While this proposal would reduce the need for General Revenue, it would not increase efficiency or effectiveness of the activity, and possibly, reduce the value of the benefits the veterans receive.*

- c. List the activities, or components thereof, which are least relevant to or least effective in accomplishing the agency's missions and goals (if not previously listed in "b" above). Should any funding for these activities be redirected to a higher priority activity within this agency or eliminated entirely?

*None.*

- d. For any LRPP reduction above that you recommend against adopting, develop alternative reduction options to achieve the 5% savings.

*Because the majority of the expenditures for this activity is General Revenue funded salaries (98%) with little staff turnover, the remaining option is to entirely eliminate the service since private veterans' organizations, local governments and federal staff participate in helping veterans and their families receive the federal benefits.*

3.5. Are there any funding enhancements which would significantly enhance the efficiency or effectiveness of the activities within this service?

*None.*

3.6 For each recommendation relating to an activity's funding level (whether to eliminate or modify) what are the consequences to the customers of each recommendation?

*If the activity were eliminated, veterans and their families would not receive state assistance to maximize U.S. Department of Veterans' Affairs funds and may seek state-sponsored benefits such as Medicaid, or do without.*



4. Based on a review of statutory authorities for activities and the analysis of customer needs and quality of services provided, are any changes to statutes or other expressions of legislative intent recommended?

*None.*

5. Were there any areas in this service which consistently lack adequate information necessary to perform the zero based budget analysis? If so, please explain.

*Because there are many involved in determining and obtaining benefits for Florida's veteran's, including federal, state and local government, as well as private veterans' organizations, it is difficult to conclude how much of the \$16 million is directly attributable to state participation (performance).*

6. Is there any evidence that quality could be improved or costs reduced through outsourcing or privatizing all or part of the activities within this service?

*None.*

7. Should all or some of the tasks or functions within this activity be transferred to a more appropriate service or budget entity where a similar activity exists or to an entity that has a more compatible mission?

*Veterans' Claims and Veterans' Field Services and their corresponding activities should be combined in a new service titled "Veterans' Benefits and Assistance."*

8. Are any changes indicated to the mission statements and goals of the LRPP based on your review of statutory authorities and legislative intent for this service and its activities?

*None.*

9. Are there other recommendations at either the Service or Activity Level not addressed in the recommendations above?

*The Department's Inspector General should verify the accuracy/validity of the data collected for the approved performance measures, as required.*



# Program Level Summary

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program

Budget Entity or Service	Modify /Reduce Funding	Statutory Changes	Reorganizations or Transfers	Reengineer Processes	Potential Privatization	Performance Improvements Needed
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Service: Executive Direction & Support Services						
Activity: Veterans' Education Quality Assurance	X		X			
Activity: Executive Direction (Agency Head)						
Activity: Legislative Affairs						
Activity: General Counsel / Legal						
Activity: Inspector General						
Activity: Communications / Public Information						
Activity: Director – Health Care			X			
Activity: Director of Administration			X			
Activity: Planning and Budgeting						
Activity: Finance and Accounting						
Activity: Personnel Services / Human Resources						
Activity: Training				X		
Activity: Procurement						

# Zero Based Budget Review Recommendations by Service & Activity - 2001

Agency:	Department of Veterans' Affairs
Program:	Services to Veterans' Program
Service:	Executive Direction and Support Services

## PRELIMINARY

1. Should the state continue to perform this Service?      X   YES    \_\_\_\_\_ NO

*Executive Direction and Support Services provides oversight and strategic direction for Agency operations, actions, and infrastructure resources necessary to ensure the effective and efficient operation of the department.*

2. Are there any areas where performance is not meeting expectations for this service?

*Performance measures have not been developed for this service and its activities.*

3. Based on the information provided, should each activity within this service continue to be performed by the state and, if continued, should funding be modified per questions 3.1 through 3.6?

Activities (Business Processes)	FY 01-02 Est. Exp.	FTE	YES	NO	Modify
1.Veterans' Education and Quality Assurance	\$453,018	7.0	X		X
2.Executive Direction (Agency Head)	2,580,255	10.0	X		X
3.Legislative Affairs	117,340	2.0	X		
4.General Counsel/Legal	147,456	2.0	X		
5.Inspector General	72,583	1.0	X		
6.Communications/Public Information	69,267	1.0	X		
7.Director – Health Care	284,166	3.0	X		X
8. Director of Administration	371,683	3.0	X		
9. Planning and Budgeting	68,500	1.0	X		
10.Finance and Accounting	170,665	3.0	X		
11.Personnel Services/Human Resources	124,929	2.0	X		
12.Training	61,263	1.0	X		
13.Procurement	224,618	5.0	X		
<b>Total Service</b>	<b>\$4,745,743</b>	<b>41.0</b>			

3.1 Provide detailed reasons for activities NOT being recommended for continuation.

N/A

3.2 Are there any areas where the agency could improve performance by re-engineering any activity?

**Modification Recommendations Summary**

- 1) *Transfer Veterans' Education and Quality Assurance Activity and funding to Veterans' Benefits & Assistance Service. Increase federal funding authorization by 2 positions, \$130,406.*
- 2) *Transfer 3 positions and \$219,714 from Executive Direction (Agy Head) to Veterans' Benefits and Assistance entity.*
- 3) *Transfer Director – Health Care Activity to Veterans' Homes. Shift positions and \$219,433.*

**Background Information**

1) *The preliminary recommendation is to transfer the Veterans' Education and Quality Assurance Activity to the Benefits and Assistance Service\*. The Department's 2002-03 Legislative Budget Request includes an increase in federal funding for 2 positions and \$130,406. Funding for the 2 positions would be provided through federal funds. The VA expanded the type of training that veterans can now be reimbursed for such as Microsoft Certification Courses. The State Approving Agency for Education of Veterans is responsible for providing school and program approval services to Florida educational institutions and supervise certified Florida education institutions to ensure continued compliance with all federal and state regulatory requirements.*

*\*Veterans Field Services and Veterans' Claims are recommended to be combined as one Program, Veterans' Benefits and Assistance.*

2) *The preliminary recommendation is to move 3 positions and \$219,714 from the Executive Director (Agency Head) Activity to Veterans' Benefits and Assistance Service\*. This will more appropriately align the services' functions within the Department.*

**Positions Classifications:**

*Director of Veterans' Benefits  
Executive Secretary  
Executive Assistant*

*\*Veterans Field Services and Veterans' Claims are recommended to be combined as one Program, Veterans' Benefits and Assistance.*

3) *The preliminary recommendation is to transfer and delete from Executive Direction and Support Services, the activity Director – Health Care. 3 positions and \$219,433 should be moved to Veterans' Homes.*

**Positions Classifications:**

*Health Services & Facilities Consultant  
Registered Nurse Consultant  
Program Director – Veterans Nursing Homes*

*Only one activity was indicated to have been through a review of current practices according to the Department. Through a survey of needs assessment, some additional training classes were identified for development. The Department is in the process of incorporating these classes to improve performance of the Training activity.*

3.3 For each activity recommended for continuation, is the current level of efficiency and effectiveness meeting legislative expectations? Describe those deficiencies. Can the deficiency be addressed using current resources?

*Performance measures have not been developed for Executive Direction and Support Services or its activities.*

3.4. For each activity, identify potential and recommended reductions as follows:

- a. Can any General Revenue be shifted to trust funds?

*Yes. (See below.)*

- b. List and describe all reductions listed in the 5% LRPP reduction list and the LBR Schedule 8B reduction list (if different). Explain in detail why any of these reductions should or should not be recommended.

*\$219,433 shift from GR to Trust in for 3 positions that support Veterans' Homes*

*Health Services & Facilities Consultant  
Registered Nurse Consultant  
Program Director – Veterans Nursing Homes*

*The fund shifts will free up recurring General Revenue, are more appropriately funded out of the Operations and Maintenance Trust Fund and are recommended.*

- c. List the activities, or components thereof, which are least relevant to or least effective in accomplishing the agency's missions and goals (if not previously listed in "b" above). Should any funding for these activities be redirected to a higher priority activity within this agency or eliminated entirely?

*N/A*

- d. For any LRPP reduction above that you recommend against adopting, develop alternative reduction options to achieve the 5% savings.

*N/A*

3.5. Are there any funding enhancements which would significantly enhance the efficiency or effectiveness of the activities within this service?

*The Department's top priority for the 2002-03 budget is Information Technology. They have requested approximately \$550,000. According to the Department, if these issues were funded, the enhancements would enhance efficiency and effectiveness of services to veterans.*

3.6 For each recommendation relating to an activity's funding level (whether to eliminate or modify) what are the consequences to the customers of each recommendation?

*The modifications recommended to transfer positions and funding to appropriate service or budget entities will have no impact on customers.*

*The increase of 2 federally funded positions in Veterans' Education and Quality Assurance Activity would allow the Department to perform more educational institution certifications and ultimately increase educational benefits to Florida's veterans.*

4. Based on a review of statutory authorities for activities and the analysis of customer needs and quality of services provided, are any changes to statutes or other expressions of legislative intent recommended?

*No changes to statutes recommended.*

5. Were there any areas in this service which consistently lack adequate information necessary to perform the zero based budget analysis? If so please explain.

*Organizational charts did not correspond to activity position data.*

6. Is there any evidence that quality could be improved or costs reduced through outsourcing or privatizing all or part of the activities within this service?

*No. Minimal staff is used by the Department to perform the activities functions.*

7. Should all or some of the tasks or functions within this activity be transferred to a more appropriate service or budget entity where a similar activity exists or to an entity that has a more compatible mission?

*Veterans' Education and Quality Assurance: This activity should be moved to Veterans' Benefits and Assistance Service.*

*Division of Administration: 3 positions should be moved to Veterans' Benefits and Assistance\*, the Director of Benefits and Assistance position and its supporting Executive Secretary and Executive Assistant.*

*\*Veterans Field Services and Veterans' Claims are recommended to be combined as one Service, Veterans' Benefits and Assistance.*

8. Are any changes indicated to the mission statements and goals of the LRPP based on your review of statutory authorities and legislative intent for this service and its activities?

*No*

9. Are there other recommendations at either the Service or Activity Level not addressed in the recommendations above?

*No*





# **Department of Veterans' Affairs**

## **Legislative Budget Commission Zero-Based Budgeting Subcommittee on Health and Human Services**

### **Preliminary Staff Recommendations**

**November 8, 2001**

# **Veterans' Affairs**

## **Current Service Structure**

- **Veterans Homes**
- **Veterans' Claims**
- **Veterans' Field Services**
- **Executive Direction and Support**

# **Veterans' Homes: Findings**

- **Veterans' Homes operations are funded from a Trust Fund that comprises:**
  - **Resident co-payments**
  - **U.S. Veterans' Affairs per diem payments**
  - **Medicaid, Medicare, third-party insurance payments**
  - **Miscellaneous receipts**
- **Minimal General Revenue is spent on the homes' operation.**
- **17.5% residents receive Medicaid funding as compared to 85% of private nursing home residents.**

# **Veterans' Homes: Findings**

**(Continued)**

- **LBC approved outsourcing pilot in the Pembroke Pines State Veterans' Nursing Home.**
- **Housekeeping and Laundry**
- **Groundskeeping**
- **Certified Nursing Assistants**
- **Food Services (not implemented yet)**
- **Cost savings of approximately \$178,000 per year.**
- **No determination on Quality of Care through outsourcing has been made at this time.**

# Veterans' Homes: Findings

(Continued)

- Performance Data FY 2000-01 - Occupancy Rates for Homes in Operation 2 years or more  $\geq$  85%.

• Domiciliary Home – Lake City	84%
• Nursing Home – Daytona Beach	89%
• Nursing Home – Land O'Lakes	75% (Opened 4/99)
• Nursing Home – Pembroke Pines	N/A (Opened 6/01)

## Update – Pembroke Pines

- Current residency 24.
- Low occupancy due to construction delays, administration problems and AHCA certification delays.

# **Veterans' Homes: Recommendations**

- **Add New Activities:**
  - **Nursing Home, Panama City, Florida**
  - **Nursing Home, Port Charlotte, Florida**
- **Fund Shift from GR to Trust Fund - \$314,566**
  - **Daytona Beach NH Administrator Position – \$95,133**
  - **3 Professional Health Care Positions – \$219,433**
- **Department should update the Legislature on occupancy levels.**

# **Veterans' Homes: Recommendations**

- **Address staffing levels as mandated in SB 1202 (Chapter 2001-45, Laws of Florida).**
- **Department should examine the possibility of using nursing internships in Veterans' Homes.**

# **Veterans' Claims: Findings**

- **For minimal GR funding, Veterans' Claims staff:**
  - **Provide counseling services to veterans and their dependents and survivors**
  - **Prepare, submit, and prosecute claims and appeals for state and federal entitlements, and**
  - **Assist with applications to correct military records.**
- **This assistance provides:**
  - **compensation,**
  - **hospitalization,**
  - **vocational training, and**
  - **other benefits and privileges**



# Veterans' Claims: Findings

(Continued)

- Performance Measures FY 2000-01 - 2% percent increase (over baseline) in the number of veterans' complete "ready to rate" claims process.
- Goal = 2,455 claims      Actual = 2,135
- The Department did not meet its goal, but staff indicate that changes in the U.S. Department of Veterans' Affairs' adjudication procedures delayed processing time.

# **Veterans' Claims: Findings**

- **Could quality be improved or costs reduced through outsourcing or privatization?**
- **No. Working with federal employees provides direct access to and opportunity to determine the most effective way of presenting veterans' claims in order to achieve the greatest benefit.**
- **Could any General Revenue be shifted?**
- **No. There is no federal reimbursement nor are fees collected from the veterans to perform this activity.**

# **Veterans' Claims: Recommendations**

- **Combine Claims and Field Services into a new service titled “Veterans’ Benefits and Assistance”**
- **Change current outcome measure to a new measure that is currently being developed by OPPAGA and the Department.**
- **Performance measure data collection needs to be verified for accuracy/validity by the Department’s Inspector General.**

# **Field Services: Findings**

- **Field Services staff provide benefits counseling to:**
  - **All inpatients and outpatients in the U.S. Department of Veterans' Affairs at six medical centers and nine outpatient clinics in Florida,**
  - **Veterans in the Transitional Assistance Program.**
- **Focuses on face-to-face assistance that staff provide to veterans and their families with originating, determining, verifying, tracking and obtaining:**
  - **Treatment**
  - **Medications,**
  - **Prosthetics, and**
  - **Other financial benefits**

# **Field Services: Findings**

**(Continued)**

- **Could quality be improved or costs reduced through outsourcing or privatization?**
- **No. Working with federal employees provides direct access to and opportunity to determine the most effective way of presenting veterans' claims in order to achieve the greatest benefit.**
- **Could any General Revenue be shifted?**
- **No. There is no federal reimbursement and fees are not collected from veterans for this activity.**

# Field Services: Findings

(Continued)

- Performance Measures FY 2000-01 - *Value of cost avoidance because of issue resolution (the dollar value of benefits received).*
- Standard = \$4,773,600
- Actual = \$16,012,031

# **Veterans’ Field Services: Recommendations**

- **Combine Claims and Field Services into a new service titled “Veterans’ Benefits and Assistance”**

# **Executive Direction and Support**

## **Services: Findings**

- **Due to the limited number of administrative positions, further reducing positions would negatively impact performance.**
- **Some activities within EDSS should be transferred to realign activities with appropriate services.**
- **Performance Measures have not been developed for this service.**



# **Executive Direction and Support Services: Recommendations**

- **Transfer Activities to appropriate Service**
- **Transfer Veterans' Education and Quality Assurance to Veterans' Benefits and Assistance and increase federal funding authorization by \$130,406 for 2 new FTEs.**
- **Transfer 3 FTEs and \$219,714 from Executive Direction (Agency Head) to Veterans' Benefits and Assistance Service.**
- **Transfer Director – Health Care Activity (3 FTEs and \$219,433) to Veterans' Homes Service.**

# **Veterans' Affairs**

## **Proposed Service Structure**

- **Veterans' Homes**
- **Veterans' Benefits and Assistance\***
- **Executive Direction and Support**

**\*Combining Veterans' Field Services and Veterans' Claims into the Benefits and Assistance entity would more appropriately align the departmental functions, maintain consistency between expanded budget entity categories, and align budget authority delegation to simplify and improve accounting and budgeting functions.**

# **Veterans' Affairs**

## **Summary of Recommendation**

- **Fund shift GR positions to Trust Fund**
- **Collapse service entities**
- **Align activities with appropriate services**
- **Ensure reliability of performance data through working with OPPAGA and the Department of Veterans' Affairs**

