

A. Status of System-wide Recommendations Being Implemented by OPM

<i>Agency Specific Recommendations</i>	<i>Status</i>
<p>Uniform Chart of Accounts/Standardized Budget Reports: OPM shall coordinate and oversee development of a standardized and more streamlined chart of accounts and budget/reporting templates for mandatory use by all human service agencies. Such process should include OPM staff and contract experts from the human service agencies, as well as consultation with private provider representatives.</p>	<p>Contract and fiscal staff from agencies and OPM Office of Finance developing draft UCOA, budget and reporting format for review and discussion with agencies and private provider representatives, with a targeted final product completion date by the end of the calendar year and an implementation date for contracts commencing 7/1/14.</p>
<p>Enterprise Contract Management System: OPM shall evaluate, purchase/design, and implement a web-based contract management system for use by all human service agencies. Such system should support contract assembly, provider interaction, electronic interfacing, and web-based budgeting, data and report submission, budget revisions, and year-end processing.</p>	<p>OPM working with DCF to develop and implement pilot POS enterprise contract management system for future use by all POS agencies. System being pursued already under contract with OPM's Criminal Justice Division. Next step is request funding from IT Infrastructure Bond program to develop project plan and common business requirements.</p>
<p>Timeframes Regarding Contract Approvals and Execution: OPM shall require agency accountability regarding timeframes for approving commencement and completion of annual contract development and execution processes. 95% of contracts shall be executed at least fifteen days prior to contract commencement. The process improvements recommended for individual agencies in this report and Lean process improvement techniques, as appropriate, should be implemented to ensure timeliness.</p>	<p>For agencies with low percentages (well below 95%), OPM will monitor business process improvements and encourage use of Lean process where appropriate. OPM will also establish standards regarding the timeframes to be followed by agencies when entering new or extended contracts. Targeted date for standards is summer 2013.</p>

NOTE: OPM responsible for implementation of some other system-wide recommendations, including job/duties classification matters, statewide training issues, review of OPM approval process and working with Attorney General's Office on certain issues. Progress on these items will be included in future communications.

For Sections B, C and D below, certain recommendations have been bolded by OPM to highlight OPM's views about which recommendations that should receive the highest initial focus or priority.

B. Request for Agency Plans to address Agency Specific Recommendations- Please fill-in boxes under "Agency Plan, Priority and Timeframe"

<i>Department of Mental Health and Addiction Services</i>	
<i>Agency Weaknesses/Issues & Related Recommendations (Strengths listed in POS report and many noted below)</i>	
<i>Weaknesses/Issues to Address</i>	
<ol style="list-style-type: none"> 1. The POS Contract Spending Plan is developed and maintained by one staff member from the Budget Unit. <i>(Recommendation 1)</i> 2. HSCU staff do not receive formal training on contract development, administration and oversight; legal sufficiency on contracts or oversight of non-profit entity budgets. <i>(Recommendation 1 & 2, System-wide Recommendation 8)</i> 3. Staff in LMHAs are not fully knowledgeable and timely regarding contract processes. <i>(System-wide Recommendation 8)</i> 4. Contract pre-approval process relies on hard-copy routing. <i>(Recommendation 3, System-wide Recommendation 7)</i> 5. Internal contract execution process is complex with manual routing to many places with associated approvals. <i>(System-wide Recommendation 7; Enterprise contract management system)</i> 6. While electronic copies are accepted for initial review, providers are still required to submit hard-copy, original, signed financial reports. <i>(Recommendation 5; System-wide Recommendation 7)</i> 7. HSCU is not part of strategic planning process. HSCU staff could lend valuable advice and historical significance to contractor performance and fiscal/administrative viability. 	
<i>Agency Specific Recommendations</i>	<i>Agency Plan, Priority and Timeframe</i>
<ol style="list-style-type: none"> 1. Move the POS Contracting Spending Plan to HSCU or increase the depth of budget and spending plan expertise in the Budget Office through cross-training of staff. 	<p>DMHAS RESPONSE: The Department has identified this as a high priority issue to address in order to maintain timeliness of contracting processes and continuity of functions regardless of staff changes. The plan involves two steps:</p> <ol style="list-style-type: none"> 1. During SFY2014 the Budget Office will identify and cross-train specific staff in the development and maintenance of the spending plan database. This will be completed by 4/30/14. 2. Budget Office staff will collaborate with HSCU staff on the development and implementation of specific reports that HSCU staff can generate from the database. These will include Summary of Funding contract pages which will facilitate timely contract processing. This will be completed by 6/30/14.
<ol style="list-style-type: none"> 2. Implementation of required training for HSCU staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I.H.3) and Connecticut General Statutes (Chapter 62, 4e-5). 	<p>DMHAS RESPONSE: OPM and the other POS agencies should organize this training as a joint effort with the appropriate other state agencies to avoid duplication of efforts.</p>

<p>3. The contract pre-approval request and contract execution routing process should be electronic with electronic signatures.</p>	<p>DMHAS RESPONSE:</p> <ol style="list-style-type: none"> 1. As of 1/1/13 changes were made to the internal Pre-approval Request process to enable 50% of the staff involved to access the requests electronically and enter their approval on-line directly into the tracking database. Initial discussions have also taken place with DMHAS IT technical staff to explore the possibility of a totally on-line system for electronic processing and approval. During SFY2014 we will explore and implement mechanisms to achieve 100% electronic processing by 6/30/14. 2. During SFY2014 we will explore and implement mechanisms to achieve 100% electronic routing of contracts to execution by 6/30/14.
<p>4. Institute contracts with longer terms.</p>	<p>DMHAS RESPONSE:</p> <ol style="list-style-type: none"> 1. During SFY2013 all DMHAS 2-year human service contracts were amended to extend their terms for an additional 3 years with an end date of 6/30/16. 2. All future new contracts will start out with a 5 year term unless there are specific circumstances which dictate a shorter term. This change is effective as of 7/1/13.
<p>5. Eliminate hard-copy, signed submission of all reports. Electronic submission is auditor tested and accepted at other agencies.</p>	<p>DMHAS RESPONSE:</p> <ol style="list-style-type: none"> 1. During SFY2014 DMHAS will implement total electronic submission of required financial reports and eliminate the hard copy signature requirement. This will include 8-month and annual financial reports as well as budget revision requests. This will be fully implemented by 6/30/14.
<p>6. Modify the role of Program in budget/financial oversight. Rely on them as external resources, but not as required review/approvers (unless significant problems are identified by Contracts staff).</p>	<p>DMHAS RESPONSE:</p> <p>DMHAS recognizes that a component of successful contracting is the coordination/integration of program and fiscal aspects of contract monitoring. To that end, the Department has devised a workable system that involves such integration without causing delays and inefficiencies in contract processing and payments.</p>

C. Request for Agency Plans to address System-side Recommendations- Please fill-in boxes under "Agency Plan, Priority and Timeframe"

<u>System-wide Recommendations</u>	<u>Agency Plan, Priority and Timeframe</u>
<p>1. Improve timeliness of contract executions-Goal is 95% executed no later than 15 days prior to contract start date <i>A major issue, for some agencies, is that funding approval required to start the contracting process are provided so late that timely contracts are not possible</i></p>	<p><i>OPM note: % executed no later than 15 days prior to contract start date:100% in FY2011 and 78% in FY2012</i></p> <p>DMHAS RESPONSE: Update: SFY2013 – 100% of contracts fully executed 15 days prior to start date. SFY2014 - 92% of contracts fully executed 15 days prior to start date.</p>
<p>2. Payments:</p> <ul style="list-style-type: none"> • Streamline Business processes related to payments • Basis for payment: decouple from reports • Authorizing Payments: Payment authorization shall be the responsibility of the contract unit, in consultation with program staff; eliminate Program/Fiscal review and/or approval of payment requests. • A single CORE Purchase Order shall be created and tied to the CORE Contract, for the life of the contract. 	<p><i>OPM note: DMHAS systems reflect best practices</i></p> <p>DMHAS RESPONSE: No adjustments needed.</p>
<p>3. Best organizational structure and practice found among State POS agencies involves having a <u>central contracts unit</u> that is provides an accountable focal point for managing, in a <u>collaborative, timely and efficient manner</u>, the administrative, financial and contracting functions related to private provider health and human services contracts . <u>These best practice contracts units view program units as their customers and, most importantly, enable program staff to focus their time more productively on program and client outcomes.</u></p> <ul style="list-style-type: none"> • Contracts and Program staff will collaboratively oversee development of contract/provider budgets. • Contract unit staff, in consultation with Program staff, shall be responsible for approval of financial reports and budget revisions. • Payment authorization shall be the responsibility of the contract unit, in consultation with program staff. Human service agencies shall eliminate Program/Fiscal review and/or approval of payment requests. • Contract unit staff shall, upon receipt of quarterly OPM allotment and availability of funding in each Account/SID, provide pertinent payment information (either electronically or hardcopy) to fiscal Accounts Payable unit. • Responsibility for Year-End Reconciliation: Contract unit staff shall be responsible for oversight of Fiscal Year-End reconciliation and State Single Audit review, in consultation, as needed, with Fiscal. 	<p><i>OPM note: DMHAS organization reflect best practices with exception that separate units do POS and PSA contracts; high level of collaboration between contracts and program staff.</i></p> <p>DMHAS RESPONSE: The Department has undertaken several changes to move toward a more centralized, integrated contracting unit. An integrated contract pre-authorization process was designed and implemented over a year ago that applies to all types of contracts (POS, PSA, MOA, etc.). We have also developed a merged contract/vendor database for all types of contracts, replacing the previous separate systems. We have also begun discussions and planning with clerical staff to develop a more integrated support function for contracts as a whole. DMHAS plans to fully merge the POS and PSA contract units into one contract unit by 6/30/14.</p>

4. Increase and maximize use of Part I templates	<p><i>OPM note: 100% templated</i></p> <p>DMHAS RESPONSE: No adjustments needed</p>
5. Increase and maximize use of consolidated contracts	<p><i>OPM note: 1.3 contracts per provider</i></p> <p>DMHAS RESPONSE: Update: For SFY2014 a total of 8 contracts were consolidated into existing provider contracts. This resulted in a 1.17 contracts per provider ratio.</p>
6. Contract Period of Performance	<p><i>OPM note: should look to longer-term contracts (Rec 4 above)</i></p> <p>DMHAS RESPONSE: See response to agency-specific recommendation #4 above.</p>
<p>7. Electronic processes:</p> <p>Electronic Contract Assembly: Agencies shall implement electronic contract assembly software</p> <p>Electronic Contract Submittals: Agencies shall implement electronic processes for contract transmittal to and receipt from providers during signature/execution process (i.e., PDF contracts emailed to providers with instructions for return).</p> <p>Reduced Number of Hard Copy Contracts: Agencies shall eliminate hard-copy storage of contracts in multiple locations/units.</p> <p>Electronic Contracts Library: Agencies shall implement an electronic contracts library that all agency staff can access to view active, executed contracts.</p> <p>Electronic Reports, Absent Signature: Contract periodic reports will be accepted electronically, absent signature, eliminating requirements for submission of hard-copy, original, signed financial reports/budget revisions.</p> <p>Electronic Routing and Approvals: Intra-unit agency approval process shall rely on electronic routing and approvals eliminating manual, paper-based processes.</p>	<p><i>OPM notes: Automated document creation software used for contracts assembly; contracts sent electronically to providers; electronic library; aspects of business processes need automation.</i></p> <p>DMHAS RESPONSE: See agency-specific recommendation above regarding electronic submission of reports and use of electronic approvals.</p>

<p>8. Training:</p> <p>Contract Unit Staff Professional Development: Agencies shall provide professional development opportunities to enhance Contracts staff skill-sets (i.e., basic writing skills, English composition skills, contract writing).</p> <p>Inter-Agency Cross Training: Agencies shall develop inter-unit cross-training opportunities to increase staff knowledge pertaining to contract development/oversight and programs.</p> <p>Provider Training: Agencies shall develop collaborative training opportunities for provider staff to cover topics such as competitive procurement, contract development, and financial and programmatic report submission, etc.</p>	<p><i>OPM note: HCSU maintains formal and informal training tools for contracts staff to utilize and provides targeted training for internal staff</i></p> <p>DMHAS RESPONSE:</p> <p>By 6/30/14 the Department will:</p> <ul style="list-style-type: none"> - review contract staff training needs and plan/implement specific training opportunities to address the needs. -institute periodic (quarterly) informational/training meetings with Local Mental Health Authority contract staff to increase staff knowledge of contracting processes. - develop and implement a plan to provide training opportunities for provider staff on such topics as required reporting, use of reporting forms, etc.
<p>9. One Budget per Program: Provider contract budgets will be consolidated to ensure that each funded program contains only one budget per funding period</p>	<p><i>OPM note: DMHAS follows this recommended practice</i></p> <p>DMHAS RESPONSE:</p> <p>No adjustment needed</p>

D. Request for Feedback/Plans on Recommendations re: Strengthening Outcome Measures and Performance-Based Contracting *Please provide feedback on the following recommendations*

<u>System wide recommendations for comments</u>	<u>Agency Comments</u>
<p>Financial and Programmatic Reporting and Data Analysis: Agencies shall develop coordinated administrative and programmatic oversight component that includes administrative oversight, fiscal/programmatic reporting, and data analysis performed collaboratively by Program and Contracts staff.</p>	<p>DMHAS RESPONSE: Fiscal and programmatic oversight occurs at the following points during the fiscal year:</p> <ol style="list-style-type: none"> 1. upon review of Grant Funding Applications at or before the onset of the fiscal year; 2. when quarterly provider "report cards" are released by the Department's Evaluation, Quality Management and Improvement (EQMI) Division. The report cards document provider performance across contract outcome measures (sample attached); 3. when annual fiscal audits are reviewed. <p>Results of these reviews are shared across the Divisions</p>
<p>Management of Service Level Data: Agencies shall develop and implement protocols for the compilation, aggregation and electronic storage of financial, statistical and programmatic data to measure the provider's ability to meet contractual performance obligations.</p>	<p><i>OPM note: Annual strategic planning process undertaken</i></p> <p>DMHAS RESPONSE: The Department's EQMI Division oversees the electronic submission, storage and reporting out of provider data. Aggregate data is shared with providers on a quarterly basis along with statewide averages for most performance measures.</p>
<p>Programmatic Outcomes: Commissioners shall review and approve outcome measures to be included in POS contracts and submit these measures to OPM. Agencies shall take into account how these measures within and across programs contribute to the applicable cross-agency results and indicators developed by the Governor's Cabinet for Non-Profit Health and Human Services. <i>(perhaps some common measures across State agencies could be identified through this process)</i></p>	<p>DMHAS RESPONSE: Programmatic outcome measures are developed and revised as necessary through a collaborative process involving the Community Services Division (CSD) and EQMI Division. Some of these measures are required by the Department's funding federal agency. Statewide averages are computed for the key measures.</p>
<p>Reporting on Outcomes: In a format and timeframe identified by OPM, State agencies shall submit a report to OPM listing performance outcome results for each program category involving \$1.0 million or more in annualized expenditures and for each contract within that category. These reports shall be posted on OPM's and the agency's web-site.</p>	<p>DMHAS RESPONSE: Quarterly provider report cards are developed by EQMI, distributed to providers and soon will be posted on the agency's website.</p>
<p>Other Suggestions in regarding to Outcome Measures/Performance Based Contracting and Related Data systems</p>	