Early Lessons from the Work Support Strategies Initiative: Kentucky

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Contents

Kentucky’s Goals for the Planning Year 2
State Background 2
Building Capacity for Data-Driven Decisionmaking 4
Piloting New Business Processes 6
Expanding Internal Ownership of Change 9
Cultivating Stronger Relationships with External Stakeholders 11
Delving into Policy Options to Better Align Programs 14
Conclusion 18
References 20
Methodological Note 21
Kentucky prides itself on having a history of innovation and a clear vision for integrated, family-centered, and streamlined delivery of work support benefits for low-income families. Participation rates in food and medical assistance programs are higher than the national average. Over the past two decades, the state consolidated multiple agencies in the Cabinet for Health and Family Services (CHFS), developed an integrated database for many large benefits programs, implemented a single application for SNAP, Medicaid, and K-TAP (Kentucky’s TANF program), and established data-sharing agreements so programs could use each other’s customer information for verification and eligibility determination.

Nevertheless, like many other states, Kentucky faces certain challenges and seeks opportunities to address them and to implement ongoing program improvements. In 2011, nearly 40 percent of Kentuckians had incomes less than twice the federal poverty level. Caseloads were rising throughout the state due to the economic downturn, and the state was preparing for a large influx of new customers through health care reform. Kentucky was concerned about how it would sustain its high participation rates, continue meeting customer needs, and implement health reform in the context of substantial caseload growth and severe budget constraints.

In 2011, Kentucky was awarded a Work Support Strategies (WSS) grant to continue its work to streamline the system for connecting low-income families to work support benefits. Supported by private philanthropy, this multiyear initiative gave grants to select states to test and

Work Support Strategies

Work Support Strategies (WSS) is a multiyear initiative to simplify the process of getting work support benefits. Working directly with selected states, WSS seeks to

- improve the health and well-being of low-income families by increasing enrollment in work support programs;
- deliver benefits more effectively and efficiently, reducing administrative burdens on states as well as clients; and
- evaluate the impact of these streamlined approaches, disseminate lessons learned, and inform state and federal policies.

WSS focuses on three work support programs: the Supplemental Nutrition Assistance Program (SNAP), Medicaid and the Children’s Health Insurance Program (CHIP), and child care subsidies through the Child Care and Development Block Grant. Participating states may choose to add other programs, and most have done so.

In fall 2010, WSS invited states to apply for one-year planning grants, with the opportunity to continue to a three-year implementation phase. Twenty-seven states submitted applications, and nine were competitively selected: Colorado, Idaho, Illinois, Kentucky, New Mexico, North Carolina, Oregon, Rhode Island, and South Carolina. During the planning phase, the selected states received $250,000, expert technical assistance, and peer support from other states. With these resources, the grantees performed intensive diagnostic self-assessments, explored business process strategies, established leadership structures, and developed data-driven action plans that address policy and practice changes.

This report is one of 10 (one on each state, plus a cross-cutting report) describing state activities during the planning year.
implement more effective and integrated approaches to delivering key work supports, including health coverage, nutrition benefits, and child care subsidies. Streamlining and modernizing these processes can help improve the health and well-being of low-income families, save states money, and improve overall efficiency. Although the state was not selected to receive a WSS implementation grant, Kentucky’s experience during the planning year offers important lessons on collaboration and business practices.

**Kentucky’s Goals for the Planning Year**

Kentucky’s overall goal for the WSS planning year was “to increase the share of eligible families who receive and retain the package of public assistance and work support benefits for which they qualify.” To achieve that goal, the state planned to develop a leadership structure and support for WSS planning year activities; conduct a policy review to identify additional opportunities for coordination across key public assistance and work support programs; carry out a diagnostic self-assessment (including analysis of administrative data and input from stakeholders); and develop an action plan for future activities.

**State Background**

Governor Steve Beshear requested that CHFS apply for WSS after hearing about the opportunity through a local advocacy organization. Within CHFS, the Department for Community Based Services (DCBS) was selected to spearhead Kentucky’s WSS effort. The Department of Medicaid Services (DMS) and the Office of Administrative and Technology Services (OATS) within CHFS were also members of the WSS management team. In addition, DCBS entered into an agreement with the University of Louisville to manage aspects of Kentucky’s WSS planning year efforts.

At the time Kentucky applied for the WSS grant, the state was in the midst of a major diagnostic, technology, and business process improvement effort: the Kentucky Access,
A Quick Glance at Kentucky

Population (in thousands): 4,314
Share of individuals living below 200% of the federal poverty level (FPL) (in 2011): c 39.8%
Unemployment rate (in September 2012): b 8.4%
Share of eligible people participating in SNAP (in 2010): c all individuals, 85%; working poor, 68%
Share of eligible children participating in Medicaid (in 2010): d 89.4%
State Medicaid upper income eligibility limit as % of FPL: e children, 185%; working parents, 57%
Programs state or county administered? State
Number of counties; number of service regions: 120; 9
Lead WSS agency: Cabinet for Health and Family Services (CHFS)
SNAP governance: CHFS > Department for Community-Based Services (DCBS) > Division of Family Support > SNAP
Medicaid governance: CHFS > Department for Medicaid Services (DMS)
Child care governance: CHFS > DCBS > Division of Child Care
Sources: a U.S. Census Bureau (2011); b Bureau of Labor Statistics (2012); c Cunyngham (2012); d Kenney et al. (2012); e Kaiser Family Foundation (2013).

Accuracy and Accountability Project (KAAAP). KAAAP began in 2006 with an assessment of business process and technology (Phase I) and continued with the implementation of system solutions, including electronic case files, for enhanced productivity, improved accuracy, and better program access (Phase II). The last phase (beginning in 2012) would involve further business process redesign and a full replacement of the Kentucky Automated Management Eligibility System (KAMES). WSS was viewed as an opportunity to further support the ongoing efforts under KAAAP, expand its scope, and generally take a more holistic approach to addressing the opportunities for improvement identified in Phase I of KAAAP.

Five key areas were critical aspects of Kentucky’s WSS planning year:

- building capacity for data-driven decisionmaking,
- piloting new business processes,
- expanding internal ownership of change,
- cultivating stronger relationships with external stakeholders, and
- delving into cross-program policy options.
Building Capacity for Data-Driven Decisionmaking

“Data-driven decisions’ are the buzzwords. I consider it a firm grasp of the obvious—that’s what you’re supposed to do. [But] we don’t necessarily have the richness of data to be able to with any certainty [make] data-driven decisions…. [We have a] ‘black hole’ information system; a lot goes in and nothing comes out.”

—Senior Cabinet leader

“Our biggest challenge was getting around the data piece. We knew families churn, we didn’t know why, and we couldn’t mine data systems to find out. We knew that doing that was going to take years. WSS made us more aware of limitations in the system with data and helped us put procedures into place for getting the data from this point forward.”

—WSS team member

Kentucky made developing an infrastructure to extract, analyze, and disseminate results from administrative data a central activity of its WSS planning year. Respondents indicated that antiquated data management systems had limited the availability of data to guide past system reform efforts. DCBS staff and external stakeholders believed that the effectiveness of future reforms—including those planned under WSS—depended on being able to produce more and better evidence about the strengths and shortcomings of the service delivery system. From the state’s perspective, this evidence was needed to plan future system changes, avoid unintended consequences, communicate effectively with stakeholders, and measure results.

In addition to the challenges posed by the technical infrastructure, DCBS had difficulty finding staff that could be spared to undertake this work. To prevent this problem during the planning year, the University of Louisville joined the WSS team to lead the data collection and analysis efforts. The University and DCBS had previously collaborated on analysis for K-TAP (Kentucky’s TANF program), and the University possessed both the staff capacity and the familiarity with state data systems to move ahead with data collection and analysis.

The WSS team sought to examine characteristics of program participants, cross-program enrollment, rates of churn in each program, the customer experience, benefit use patterns, and benefit retention. In the past, data for each program were analyzed separately, but the team wanted to look across programs to get a more complete picture of the benefits families received.
The team planned to use these data analyses to shape discussions with external stakeholders and to inform WSS planning-year efforts.

The WSS team met with program staff and OATS data programmers early in the planning year to develop a data extraction with information to help guide the WSS planning effort. The WSS team’s original plan called for OATS to extract four years of population data from KAMES, which houses customer and program information for such state programs as Medicaid, KCHIP, K-TAP, and SNAP. Early in the planning year (May 2011), the WSS management team encountered a major obstacle to their plans for data analysis when OATS notified them it would take more than a year to fulfill the request.

Several obstacles contributed to this long timeline. Most substantial was the cumbersome mainframe system, which limits the functions that can be undertaken simultaneously and requires extensive labor for specialized activities. Thus, although technically feasible, work on the WSS-related extract was delayed by competing demands on both IT staff time and system availability during nonbusiness hours, including data requests related to the implementation of three new managed-care organizations for Medicaid.

Working around the obstacles to obtaining four years of historical data on the full population, the team resorted to sampling methodologies, prioritized variables to be extracted (based on the data diagnosis tool offered to WSS-participating states), and reduced the number of time periods covered by the data. Once the team agreed on the specifics for the KAMES data, it requested similar information from the separate child care data system, the Kentucky Integrated Child Care System (KICCS). Data extracts from KAMES were provided to the University in mid-November and mid-January.

Shortly before submitting its action plan in February 2012, Kentucky used the extracts to conduct cross-sectional, cross-program analyses on customer retention and cross-enrollment. This involved matching data between KICCS and KAMES, which proved more challenging than the team originally anticipated. The two systems used different identifiers and different definitions of what a “case” was and whether it was defined at the family or individual level. The cross-program data analyses suggested that 79 percent of families only receiving child care were financially eligible for SNAP but were not enrolled, and 78 percent of the families only receiving...
Medicaid were financially eligible for SNAP but were not enrolled. The WSS team explained this type of information would be useful in understanding gaps in getting people services for which they are eligible. Going forward, the team identified numerous questions about the data and planned to supplement and refine the analyses to better guide the team’s work.

One of the state’s most important data-capacity accomplishments was the development of a vision and a scope of work for a data warehouse—a set of administrative data elements on program participants over time that was separate from the KAMES mainframe system and organized to allow for easier overall administrative use. To overcome the difficulties of extracting large quantities of historical longitudinal data from KAMES, the WSS team planned a nightly extract and transfer of KAMES data into a data warehouse. One senior official explained that they expected the data warehouse would help them “manage [their] time and target [their] resources” for staff training and day-to-day program operations. The WSS team originally proposed the nightly data transfers, containing a picture of the caseload and case management activities for that day, to begin in fall 2011. Instead, DCBS requested modification of existing KAMES reports as an interim, more fiscally conservative solution. DCBS ultimately plans to revisit the data warehouse with other workload management resources under development to support implementation of health care reform.

**Piloting New Business Processes**

“*Building up the momentum to make change [is a struggle]. It’s like that saying, ‘Change is good; you go first.’ Everyone believes that. It takes a while to generate the energy and impetus to make change.*”

—Senior Cabinet official

“*When I heard about electronic case files and scanning I didn’t know how we’d do it, but it’s been the coolest thing.*”

—Regional office worker

Kentucky approached business process reengineering (BPR) efforts cautiously during the WSS planning year, largely because they wanted to sequence the efforts carefully in relation to other work. They wanted to ground the BPR efforts in the ongoing rollout of ECF, be sensitive to the
limitations of KAMES, and avoid duplicating forthcoming BPR expected as part of the planning and implementation of health care reform and KAMES replacement. Although the WSS team considered incremental business process improvements during the planning year, they postponed consideration of a large-scale rewrite of how benefits were provided in the state until the WSS implementation phase, which would overlap with preparations and the implementation of health care reform, as well as with the expected eligibility system replacement. This approach was an effort to avoid misdirecting limited resources and causing “field fatigue”—that is, field office staff might be reluctant to embrace further process change if subjected to multiple rounds of business process redesign, particularly if that change was insufficiently coordinated over time.

The Kentucky WSS team visited New Mexico and Idaho, where it saw firsthand the benefits of process changes that these states had pushed forward, sometimes in the absence of significant funding or technology. Several of Kentucky’s service region administrators (SRAs) and service region administrator associates (SRAAs) participated in the site visits alongside state staff to observe what changes they could adopt to improve services in Kentucky. After returning to Kentucky, these field managers shared with their peers the gains they saw other states making through business process changes. These examples inspired the Kentucky team to implement small pilots in several local offices to simplify eligibility processes and reduce customer burden and to inform WSS implementation phase activities.

One year before WSS, the state had met with regional staff and the Division of Service Regions to look at BPR opportunities and to obtain broad recommendations for program improvements. Combining that feedback with the enthusiasm generated from the site visits, the WSS team met with local staff in October 2011 to discuss other potential strategies to improve processes. A few offices that were early in the statewide rollout of electronic case files began piloting different strategies and developing creative solutions to improve services within weeks of that meeting.

In one pilot, the WSS team worked with a regional office to improve customer flow by placing a worker in the main lobby to check customers in and help them navigate the process efficiently. This office also moved from a highly individualized case-management processing model (where one worker moves a family’s case through the entire process) to a task-based or
team process model in which staff are divided into intake, recertification, call-center, and application processing teams. A staff member from that local office was pleased by the team process model’s success:

“That’s been our major initiative, and we’re at the end of the first quarter and it’s going very well and applications are being processed much quicker. Complaints have decreased as well as foot traffic….Clients have said they can’t believe they’re moving through the office so quickly.”

The WSS team also collected primary data to evaluate the effects of these pilot initiatives on the customer experience (for example, waiting time, timely resolution of an issue). The results indicated a substantial increase in efficiency. In the Fayette County office, two teams tested the team process model while the other two teams continued the individual case-management model. “In their first month, the team process model reported a 75 percent reduction in cases pending on the last day of the month compared to the other nonpilot teams,” reported one WSS team member. Pilots like this—and the evidence compiled about them—were “quick wins” that helped the WSS team make the case for similar changes in other offices.

The state anticipated that additional business process changes, including the implementation of a call center model, would build on their recent implementation of electronic case files. Kentucky began piloting electronic case file capabilities in four county offices in August 2011. Plans to roll out electronic case files had been developed before WSS but dovetailed nicely with the WSS team’s goals to make the state more responsive and customer focused. Previously, documentation verifying eligibility was done on paper, and workers and customers alike reported this process as lengthy. Local staff had requested electronic case file capabilities to eliminate challenges posed by hardcopy case files. Statewide rollout of this technology began in September 2011 and was completed in June 2012. County workers raved about the efficiency of moving away from a paper-based customer file system, noting that customer complaints decreased because applications were being processed more efficiently and less information was being lost. With this critical technology in place, WSS leadership in Kentucky was poised to plan and implement additional business process reengineering and full replacement of its eligibility system.
One such improvement that the Kentucky WSS team began strategizing was linking some of the state’s information systems. The absence of interfaces between databases or data-sharing agreements between some programs hindered policy options and burdened both customers and workers. Customers had to provide the same verification documentation to multiple programs, and workers had to enter the same information into separate databases. To address these inefficiencies, the Kentucky team talked about creating data-sharing agreements and interfaces between programs and data systems. One WSS staff member explained plans for an interface between the SNAP and TANF eligibility system and the child care eligibility system, saying, “Our family support workers might be able to use some of the data collected by child care specialists to determine eligibility for SNAP and TANF.”

**Expanding Internal Ownership of Change**

“We had to change our way of thinking from ‘my case’ to ‘our caseload.’”

—Service region administrator

Kentucky’s planning-year activities also included engaging regional and local staff in planning and implementing system improvements. Local and regional support for the project and the changes under discussion were not won easily. Workers were of two minds: in agreement with the broader vision but concerned about getting there.

Initially, local staff were concerned that the proposed new processes might increase their workloads. As one WSS staff member put it, “When you talk about moving the cases around and changing the business process, people have their formulas, and moving things around makes people nervous.”

However, according to a number of county and state staff, necessity countered these initial concerns and increased the readiness for change in Kentucky. Specifically, the economic recession brought record numbers of families into local offices. Even in offices where the staff size grew to accommodate the increased need, staff felt overwhelmed and unable to meet the need under the old business structure and with the old technology.
Engaging the SRAs and SRAAs, as well as line staff, was critical. State leaders emphasized the importance of proceeding cautiously and strategically in order to reduce the potential for field fatigue with change. Given the large number of past changes, and expected changes associated with the implementation of health reform, DCBS leaders did not want to cause fatigue or confusion for workers by implementing multiple changes that would ultimately prove to be disconnected, ill-informed, or reversed.

Kentucky’s WSS team updated the SRAs and SRAAs monthly, either through in-person meetings or conference calls. “We are sharing information about what’s happening at the state level, providing support, troubleshooting, and getting input,” said one WSS staff. The team communicated what it was learning from the peer-to-peer site visits, a policy crosswalk developed by a WSS consultant, and the offices piloting different business process strategies. Importantly, some of this information came from the SRAAs themselves. The WSS team recognized that it helps if local staff hears information and lessons learned from their peers instead of, or as well as, from state leadership.

The WSS team also engaged local staff to train their peers. “We bring in staff to test some of the things we’re thinking about and then we send them out as a train the trainer,” said one WSS leader. Some felt that more could be done to train staff, and that the workers would be better prepared to do their jobs with additional training. The input and engagement of local and regional staff were signs of being more inclusive. One key staff told us that the WSS team was “engaging staff better, and the regions are getting involved. Before, the whole process was mechanical and top-down and people said they didn’t have time. Now we have them involved and they want to do more. They get tired of doing the same thing, and something new can energize them.” The WSS liaison communicated regularly with the regions, and that liaison discussed with the regional and local offices how to roll out and test BPR changes to improve services.

In addition to sharing information, the Kentucky WSS team brainstormed with local staff about the project and its goals. Those brainstorming meetings, according to a group of county staff, occurred after the large increases in caseloads made it difficult to maintain good customer service. The Deputy Commissioner of DCBS, who was also the WSS lead, convened a group of
local and regional staff to discuss challenges and potential changes. According to one county staff, those meetings helped the frontline staff feel heard: “It made a big difference. Our supervisors made a commitment to communication and to working together. I don’t want to undersell that because it was a systematic approach to make sure they were believers too.”

Brainstorming together and talking through concerns helped the state understand the challenges and pressures that local staff felt. It also assured local staff that the state would work with them to improve both the customer and worker experiences. As a senior leader in Kentucky described it:

“We’re being supportive of each other in providing information to each other and advocating on behalf of the individuals we all work for: building grassroots support, assisting the Cabinet in identifying areas that are barriers, and listening to those barriers and understanding what we might need to do to fix that.”

Kentucky empowered regional offices to design their responses to the increased caseloads, and that approach paid off. SRAs’ and SRAAs’ initial anxiety about whether they would truly be allowed to customize their own approach gave way to increased trust. “We want to try something different, but I wasn’t sure we’d be allowed to,” said one SRA. “To try things and make changes has been good. It’s an opportunity to allow us to do things we haven’t been able to do in the past.”

Similarly, the rollout of electronic case files built trust in the state among local staff. As noted earlier, local staff had requested that the state implement electronic case files to move away from a paper-based system. The state followed through with those plans. Giving input on an area for improvement and seeing that recommendation supported and carried out by the state, with ongoing local involvement in rollout activities, encouraged local staff engagement and trust.

**Cultivating Stronger Relationships with External Stakeholders**

“Even though we had relationships before, they blossomed during the course of the planning year...Everyone was very enthused about trying to take on more family-centered practices and increasing efficiencies.”

—WSS team member
A central element of Kentucky’s plans for self-assessment during the WSS planning year was to better engage stakeholders outside the government as well as state staff from other agencies. DCBS wanted to strengthen relationships with a range of community-based organizations, including technical and community colleges, youth advocates, and groups connecting vulnerable families with the benefits for which they are eligible. Within state government, DCBS was interested in working with representatives from other departments such as the Department of Public Health and the Office of Employment and Training. Although DCBS had ties with both types of stakeholders, it considered the WSS planning activities a useful and important opportunity to strengthen those relationships.

DCBS described at least three roles for external stakeholders. First, these groups could offer perspectives about where the agency was succeeding and failing in getting families timely access to benefits. Second, Kentucky community-based organizations can inform the legislature and governor about challenges families face in accessing benefits, particularly in areas in which DCBS, as an executive agency, must remain neutral. Finally, by partnering with DCBS, community-based organizations might serve as additional access points through which families might apply for benefits. Although community-based organizations were already carrying out the first two of these roles to some extent, both DCBS staff and community-based organizations reported holding additional discussions during the planning year about future roles and new opportunities.

The centerpiece of that engagement was a November 2011 meeting involving DCBS and approximately 45 internal and external stakeholders. Although the challenges involved in extracting data prohibited DCBS from calling multiple group meetings with the stakeholders and prevented DCBS from presenting as much information as originally envisioned, both WSS staff and external stakeholders described the November meeting as extremely positive. Stakeholders valued the meeting as an opportunity to get new, comprehensive information about the DCBS services and initiatives, and as an opportunity to react to the direction of Kentucky’s WSS efforts. A WSS leader noted, “We were as transparent as possible, and stakeholders appreciate that, and there was a great deal of engagement and energy.”
DCBS had envisioned holding at least one additional meeting to discuss needs highlighted by the data and opportunities under WSS, but did not end up doing so. WSS leadership and external stakeholders were disappointed, as both wanted to build on the November meeting’s momentum. Although it was clear DCBS and external stakeholders wanted to move forward together, some stakeholders described wanting much more involvement. One explained, “We’ve had one partner meeting on WSS. In the plan they talked about doing two [partner meetings] each year. I [wanted to] do one each month for the first two years. I think it’s still inside baseball.”

Prior to the November meeting, the WSS team reached out very broadly to a large group of Kentucky’s state-operated human services programs. The team met with approximately a dozen programs to discuss areas of collaboration over the course of the year. Specifically, they met with staff from IT, public health, and income support “to realize a continuum of public assistance and work support benefits: from critical safety nets to measures reinforcing family health and well-being.” Through a survey of staff from DCBS programs and the Office of Employment and Training, the WSS team solicited feedback and suggestions regarding potential areas of partnership and collaboration that could increase customer access to programs and improve customer retention. The meetings and surveys gave the WSS team a sense of the priorities of other programs and gave the other program staff a feel for the vision and goals of WSS. By opening these lines of communication, the WSS team found potential areas of collaboration that could be developed down the road.

The Kentucky WSS team was also interested in obtaining more widespread legislative support for its work. Not all legislators found the team’s goal of helping vulnerable families get and keep all the benefits for which they are eligible appealing. However, the WSS team and its stakeholders noted, “there’s an opportunity with projects like this to reframe [the issue].” The WSS team believed that integrating and streamlining human services programs could generate enormous efficiencies and cost savings both for state workers and for customers. Further, improving data-sharing between programs and developing more efficient and effective business strategies could lead to reduced error rates. The challenge was communicating these goals and the benefits of a more streamlined and integrated service delivery system.
Trying to integrate and coordinate the six CHFS programs included in the original proposal (Medicaid/CHIP, SNAP, K-TAP, SSP, CCAP, and child care programs), and meeting with six other programs over the course of the planning year to identify opportunities to collaborate and set priorities, was a daunting goal. Toward the end of the year, some team members reflected that that pushed against the limits of what the team could successfully manage. Given the chance to start the planning year over again, a senior WSS leader said, “We wouldn’t have cast our net so broad.”

**Delving into Policy Options to Better Align Programs**

“*Policy streamlining has been in our DNA since the mid-90s.*”

— WSS team member

“*[Historically, we] haven’t given equal thought to how policy change will affect the customer unless we anticipate stakeholders coming at us about something. So it’s good to keep that mentality in mind and give customer impact an equal footing and how we can anticipate any negative or adverse effects.*”

— WSS team member

The Kentucky WSS team began an intense policy review early in the planning year, noting the importance of making process and policy changes in tandem with technology upgrades. At the same time, there were mixed feelings about the strengths of the current policy framework and whether a lot or a little change was needed: Some WSS staff felt that most policies had already been simplified and streamlined over the years (and that most remaining policy differences were due to federal requirements and budget constraints), but others felt that much more could be done to improve the customer experience. Community stakeholders who help customers access benefits expressed great enthusiasm about the policy simplification efforts:

“When you put the work supports and the rules and policies, and compare all of them, you see it could create a really confusing situation for people who receive multiple benefits. The recertification dates for child care, Medicaid, and SNAP were all different. I thought that was really helpful if the programs could streamline that so it wasn’t so confusing.”
To begin this work, the WSS team recruited a consultant working with DCBS (a former DCBS employee) to coordinate and document opportunities for streamlining and simplification. Through multiple meetings with SNAP, Medicaid/KCHIP, TANF, and child care staff, the consultant reviewed policy and procedure changes from 2007 to 2010 and documented key policy differences across programs in a policy crosswalk of eligibility policies and procedures for those five work support programs. The crosswalk was presented to management teams from both DCBS and DMS, and to local staff to help identify the most promising opportunities.

Following those meetings, the consultant revised the policy options to reflect a deeper analysis of six key priorities that the DCBS commissioner had identified and had asked the Medicaid commissioner to review and consider. Those six priorities included expanding the use of telephone interviews, simplifying reporting and verification requirements, and implementing administrative renewal processes. These changes were prioritized because they alleviated burdens on both customers and workers, and generated efficiencies for the state.

According to both DCBS and DMS staff, the DMS analysis of the options revealed concerns about cost, conflict with federal requirements (including new requirements expected to emerge with ACA implementation), and the capacity to make the necessary information technology concurrently with changes expected as part of ACA implementation. Ultimately, DMS endorsed pursuing two of the six options, both of which were incorporated into DCBS’s future plans. The first will be to extend the “30/60 policy” to child care cases. This policy, already in place for SNAP and Medicaid/KCHIP, gives customers 30 days from the date of application or recertification to return the information needed to determine eligibility. It also allows an additional 30-day grace period so that if information to complete eligibility determination is provided after the first 30 days, but within 60 days, the worker can reopen and process the case without a new application or recertification interview. This policy change would ease application and recertification requirements for both workers and customers, and could reduce churning—customers cycling off and then back within a short period although they may have been eligible throughout that period. The second policy change on which Kentucky expected to act is to extend the SNAP policy allowing phone interviews to substitute for in-person interviews to the CCAP and some Medicaid cases.
WSS leaders and program leaders said they regularly referred to the policy crosswalk when looking for ways to coordinate services and ease the burdens on workers and customers. In addition, the state moved toward a more customer-centric mindset when considering policy changes. When reviewing options, staff especially considered the impact that any changes would have on customers. A WSS staff member said this would fix a historical prioritization of agency interests and would be a natural fit to the state’s process: “We document major policy decisions and alternatives and pros/cons, and I want to give equal footing to the customer with those.”

WSS team members also talked about specific barriers and opportunities in aligning child care assistance program policies with other work supports. The Director of Child Care cited the policy crosswalk as an especially useful outcome of the planning year: “The policy document…had never been done before and I use it all the time. We want to align as much as possible because we want families to have clear direction… and maneuver both programs.” As with Medicaid, some WSS team members indicated that budget concerns were a factor in considering whether to implement child care policy changes to better align that program with other work supports.

Health reform, from the perspective of the Kentucky team, carried with it tremendous opportunities for other policy reforms but, as it did in other states, also raised anxiety. One WSS staff member highlighted the opportunities “to address business process as part of meeting increased demand.” On the other hand, staff also expressed uncertainty, and perhaps some anxiety, about the “unknowns,” as federal guidelines were not yet available to clarify all the ACA requirements and some of the requirements that had been released had the potential to reduce alignment between Medicaid and TANF rules and requirements. A community stakeholder thought that the timing of the reforms might encourage Kentucky to take advantage of the new requirements, instead of pushing back against various Medicaid reforms as it had in years past: “[Kentucky is] now in a world where the Medicaid dynamics will change and the state will have to bring on [more people], and to the extent that we can align requirements, we ought to be looking at that.”

To connect to the ACA work, the WSS team had to reach across agency lines. DCBS, which was leading WSS, delivers services to Medicaid and KCHIP customers, but DMS sets the policy
for those two programs. Given that joint responsibility to Medicaid and KCHIP customers, the WSS team involved DMS staff in helping find opportunities for policy change and to identify ways they might leverage the resources of the ACA to make headway in other areas simultaneously. That collaboration went both ways: DCBS staff participated in the inter-Cabinet ACA Implementation Committee, which examined the vast ACA requirements and its impact on policy, process, structure, and systems.

**Kentucky Planning-Year Activities**

Extracted data from the mainframe and analyzed customer retention and cross-enrollment in Medicaid, SNAP, and child care.

Began developing a data warehouse to store nightly transfers of data from the state’s mainframe data systems for future analysis.

Explored creating data-sharing agreements and additional interfaces between programs and data systems.

Conducted a comprehensive review of program policies and administrative procedures resulting in a “crosswalk” document used to identify and discuss cross-program coordination opportunities and challenges.

Visited WSS sites in New Mexico and Idaho so state leaders, regional managers, and local staff could obtain ideas for business process improvements.

Implemented business process redesign pilot projects in several local offices to simplify eligibility processes and reduce customer burden.

Surveyed staff from DCBS programs and the Office of Employment and Training to solicit feedback and suggestions regarding potential areas of partnership and collaboration that could increase customer access to programs and improve customer retention.

Participated in the inter-Cabinet ACA Implementation Committee, which examined ACA requirements and the impacts on policy, process, structure, and systems.

Created a WSS liaison to communicate regularly with the regions and local offices about rolling out and testing business process changes to improve services.

Hosted a meeting with approximately 45 internal and external stakeholders to provide new, comprehensive information about the DCBS services and initiatives and get reactions to the direction of Kentucky’s WSS efforts.

Developed an action plan for future activities to carry forward the vision for more integrated and streamlined human services.
Conclusion

“The ship of state turns slowly, and it’s designed to turn slowly. It takes a long time for a state and stakeholders and legislature and the governor to recognize the need for change and the steps it takes to get there.”

—Senior Cabinet official

Kentucky had a number of strengths on which to build during the WSS planning year. Work support programs are administered by departments under a single confederated Cabinet, which had experience undertaking major policy and practice change to improve the accuracy and efficiency of service delivery. And the state had historically high participation rates in key work supports. At the same time, Kentucky faced a number of challenges, including competing priorities, budget constraints, uncertainty around the Affordable Care Act, as well as needing to coordinate broader system improvements with work taking place under KAAAP.

Kentucky used the WSS planning year to begin building an infrastructure for data management and analysis, explore opportunities for policy alignment across key work supports, design and test business process changes in selected local offices, and begin creating stronger relationships with external stakeholders. Based on this work, toward the end of the planning year Kentucky developed an action plan for future efforts. Kentucky’s vision included leveraging technology to support modernized efficient business processes and more family-centered service delivery, reducing burden on agency staff and families by streamlining policy and improving data sharing, improving access to—and use of—data to inform continuous quality improvement across programs, and establishing a management and communication structure to support future collaborative efforts.

This plan was submitted for funding in the implementation phase of the WSS project. While the state was ultimately not selected for future WSS funding, Kentucky remains committed to ongoing system improvements. Full replacement of the legacy system will take place in three phases, beginning with an integrated Medicaid eligibility system and health benefit exchange by October 2013, followed by integration of Medicaid Long Term Care services into the system, and concluding with integration of SNAP and TANF and the development of interfaces to the child care eligibility system by 2015. The state contracted with a vendor to assist with business
process redesign, including expanding the team approach and “enhanced” business process model to additional counties and service regions, designing and implementing business process adjustments to match each phase of technology replacement, and developing a communications and plan and training model around the changes. Finally, Kentucky expects to launch a web portal for SNAP in early 2013 and to implement call center technology to support ACA implementation.
References


Kaiser Family Foundation. 2013. “State Health Facts.org: Medicaid & CHIP.”  


Methodological Note

This report is based on several sources, including evaluation team members’ on-site and telephone interviews with Kentucky WSS team members and others in the state working on WSS and related efforts; WSS materials, including quarterly progress reports and quarterly call notes; and state documents, including the WSS proposal, action plan, presentations, relevant web sites, WSS data exercise results, evaluation documents, and other materials. During a three-day visit to Kentucky in spring 2012, the evaluation team held nine interviews (supplemented with several phone interviews) with the WSS management team, technology services representatives, stakeholders, local site managers, and state agency leadership and staff from SNAP, child care, Medicaid, and other economic assistance programs.

The goal of this Phase I evaluation was to draw on these sources to document Kentucky’s activities during the WSS planning year, including the challenges the state encountered and the approaches chosen to overcome them. This goal arose from the particular features of the planning year and the nature of the lessons that could be distilled. During this phase, states were assessing their current strengths and weaknesses, and designing and testing potential next steps, culminating in the development of an action plan (with clear goals and measurable targets for reaching them). From an evaluation perspective, therefore, it was too early to assess whether states had met measurable goals, but not too early to document what actually did happen, what bumps occurred along the way, and how states responded. Thus, during the on-site visits, the evaluation team members attempted to gather input from varied perspectives, including local office staff and community stakeholders, but did not attempt to comprehensively gather input from all perspectives in order to evaluate the effectiveness of planning-year activities.

Six states (Colorado, Idaho, Illinois, North Carolina, Rhode Island, and South Carolina) are continuing on to Phase II of the evaluation. This next phase has three major goals: to document, understand, and draw lessons from the implementation of WSS activities in the states; to identify and track over time key outcomes that the state would expect to be affected by its activities and interventions; and to measure the effect WSS or specific activities under WSS had on key outcomes. To meet these goals, the Phase II evaluation will include implementation analyses and data tracking for all six states, and impact analyses to provide quantitative causal results where feasible. Each state’s evaluation will be tailored to its particular activities, goals, priorities, and data availability. The overall evaluation will combine information, analyzing data and results from across all six states.