STATEMENT OF ACTING SECRETARY

RAFAEL LÓPEZ

DEPARTMENT OF HUMAN SERVICES

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

HEALTH AND SOCIAL SERVICES SUBCOMMITTEE

FY 2024 BUDGET

DHS ADMINISTRATION

WEDNESDAY, FEBRUARY 8, 2023

Testimony of Acting Secretary Rafael López

Good afternoon, Chairman Reznik and honorable members of the Committee. I am honored to be here with you representing the Department of Human Services (DHS). I want to thank the Governor, the Department of Budget and Management (DBM), and the Budget Committees for their support. We also thank the Department of Legislative Services for its insightful budget analysis, in particular our analyst Naomi Kamuro.

I am joined by Daniel Wait, Acting Deputy Secretary for Administration, and Stafford Chipungu, our Chief Financial Officer. Also available to address any questions are my colleagues La Sherra Ayala, Executive Director of the Family Investment Administration; Kevin Guistwite, Executive Director of the Child Support Administration; Denise Conway, Executive Director of the Social Services Administration; Patrick O'Malley, Chief Portfolio Officer for MD THINK; Kenyatta Powers-Rucker, Chief information Officer; and Rainier Harvey, Chief of the Division of Administrative Operations. In the spirit of continuously building strong partnerships with all of Maryland's jurisdictions, I am pleased to be joined by two Local Directors, Courtney Thomas-Winterberg, Director of the Allegany County Department of Social Services, and Tiffany Rexrode, Director of the Washington County Department of Social Services. Below please find the Department's responses to the four (4) issues, three (3) recommended actions and five (5) audit findings discussed in the analysis.

Department of Human Services

Fiscal Year 2024 Operating Budget
Response to the Department of Legislative Services Budget Analysis

House Appropriations Committee
Health and Social Services Subcommittee
Delegate Kirill Reznik
Wednesday, February 8, 2023

Overview
N00A01

Response to Issues

Issue #1: DHS should address efforts to continue to improve timeliness by the Citizen Review Board for Children (CRBC). (Page 5)
Response to Issue: Efforts to improve timeliness by the Citizen Review Board for Children (CRBC) will include utilizing supervisory tools and data to assess and track overall performance. Additionally, CRBC is recruiting staff to fill the current vacancies: an Information Technology (IT) Communications Officer and an Office Clerk. Moreover, there is a need to improve the system used for CRBC data and processes. CRBC is exploring options to develop a system that allows for more timely reporting.
Specific efforts include the following:
1. Use of a checklist for staff with all post review processes including recommendation report due dates.

2. Supervisor biweekly production and review of recommendations on time report.

Issue #2: Department of Human Services (DHS) should comment on how the additional savings from the higher than budgeted vacancies will be used in fiscal 2023 to support operations of the department. (Page 15)
Response to Issue: The Department will use any additional savings from the higher than budgeted vacancies as follows:

- Cover any unexpected deficits during the fiscal 2023 closing.
- Add to the Temporary Assistance for Needy Families (TANF) balance to cushion unanticipated caseload swings.
- Provide funding for reimbursing DHS clients whose cash assistance benefits are stolen by card swipe fraud.
- Provide additional funding resources to enhance more strategic efforts to recruit and retain staff.

Issue #3: Given the ongoing recruitment and retention efforts of DHS, Department of Legislative Services (DLS) recommends adopting committee narrative requesting that DHS

provide progress updates on its recruitment efforts. (Page 15)

Response to Issue: The Department concurs with this recommendation and will provide progress updates on our recruitment efforts.

Issue #4: DLS recommends adopting committee narrative requesting a report from DHS that identifies additional agencies that have transitioned or will transition their Information Technology (IT) systems to MDTHINK, the timeline for transition, and additional costs related to the transition. (Page 18)

Response to Issue: The Department concurs with this recommendation and will provide reports identifying additional agencies that have transitioned or will transition their IT systems to the Maryland Total Human-services Integrated Network (MD THINK), the timeline for transition, and additional costs related to the transition.

Response to Recommended Action

Recommended Action #1
Add language restricting the general fund appropriation pending submission of report addressing audit findings. **(Pages 2 and 19**)

Response: The Department concurs with this recommendation restricting the general fund appropriation pending submission of report addressing audit findings.

Recommended Action #2
Adopt committee narrative requesting a report to provide updates on the department wide recruitment and retention strategy. **(Pages 2, 19 and 20**)

Response: The Department concurs with this recommendation and adopts the committee narrative requesting updates on the department wide recruitment and retention strategy.

Recommended Action #3
Adopt committee narrative requesting information on State agency utilization of the Maryland Total Human Services Integrated Network. **(Page 2 and 20**)

Response: The Department concurs with this recommendation and will provide the information requested. This will be beneficial in identifying the scope for MD THINK across state agencies.

Response to Audit Findings

Finding #2:
The Office of the Inspector General (OIG) reported numerous instances in which Local Department of Social Services (LDSS) control over fiscal management activities were inadequate, including bank accounts, procurements, and gift cards. (Page 22)

Corrective Actions Taken:

Finding 2 A and B: Established adequate controls over bank accounts, including controls over returned checks (repeat) and comply with State procurement regulations (repeat).

Action Taken:
The Office of Legislative Audit has found that the corrective action has been completed for this finding.

Finding #3:
OIG reported numerous LDSS deficiencies related to critical Family Investment Administration (FIA) policies, such as those intended to ensure the propriety of eligibility for public assistance and food benefits. (Page 22)

Corrective Actions Taken:

Finding 3 A: Establish appropriate controls over the Electronic Benefit Transfer (EBT) card inventories

Actions Taken:
- The FIA EBT Project Office has reissued the EBT Card Inventory Procedures and the EBT Card Inventory Form to all custodians at the Local Department of Social Services (LDSSs) on a monthly basis since February 2022. The EBT Card Inventory Form is to be filled out and returned to the FIA EBT Project Office. The report is reconciled against the Electronic Payment Processing and Information Control (EPPIC) automated generated report to make sure the card inventory numbers match.

- FIA Central's Program Evaluation (PE) team reviews a module for EBT during the Supplemental Nutrition Assistance Program (SNAP) Management Evaluations (MEs) that are conducted annually for selected LDSSs.

Next Steps:
- As a reminder, the FIA EBT Project Office will continue to forward the EBT Card Inventory Procedures and EBT Card Inventory Form on a monthly basis to each LDSSs.

- FIA Central's PE team will continue to review a module for EBT during the SNAP MEs that are conducted annually for selected LDSSs.

Finding 3 B: Obtain and retain required recipient eligibility documentation for the TCA and SNAP programs

- The LDSSs remain responsible for ensuring that eligibility documentation for TCA and SNAP is obtained and retained within the Electronic Content Management System (ECMS).

- During the annual SNAP MEs of the selected LDSSs, FIA Central's PE team continues to review a sample of the case documentation to determine if the required documents are stored in ECMS. If during the review process, the required documentation that is needed to determine eligibility is not located in the case record, Management Evaluation provides the LDSS with a detailed Corrective Action Plan. The LDSS has 30 days to complete the required corrective actions.

- FIA's Bureau of Quality Control continues to review SNAP cases on a monthly basis to provide a systematic method of measuring the accuracy and validity of the SNAP caseload. These reviews look at a monthly random sample of cases to ensure that the required documentation was received and properly used in calculating the SNAP allotment. If during the review process, the required documentation that is needed to determine eligibility is not located in the case record, the LDSS is sent a summary of the findings. Quality Control also provides the LDSS with the required documentation needed to determine eligibility along with the corrected SNAP allotment.

- Update the TCA, Temporary Disability Assistance Program (TDAP) & SNAP policy manuals to reinforce case file documentation requirements.

- Collaborate with the Office of Training to develop a refresher training for all FIA staff on case file documentation requirements.

Finding 3 C: Perform timely follow up on all potential payment or eligibility errors identified through computer matches (repeat)

Actions Taken:
- The postponement of overpayment collections as of April 2020 ended on March 31, 2022. Overpayment collections processing resumed on April 1, 2022.   Training was conducted on April 7, 2022, by the FIA Office of Training for the LDSSs regarding overpayment collections and how to handle overpayments on the Eligibility & Enrollment (E&E) system. Information Memo (IM) 22-16, which is titled "Postponed Establishment of Overpayments During Coronavirus Disease (COVID) Ends March 31, 2022" was issued regarding overpayments. FIA Central's PE team will resume monitoring of overpayment claim alerts in January 2023.

- During the annual SNAP MEs of the selected LDSSs, FIA's PE team continues a review of the sample month of cases on new hire computer matching alerts.

Next Steps:
- FIA's PE team will utilize available Enrollment & Eligibility Qlik reports to monitor overpayment claims. The FIA PE team will use the reports to proactively communicate and follow-up with LDSSs to ensure timely processing of overpayment claims.
- The FIA PE team will continue a review of the sample month of cases on new hire computer matching alerts for the annual SNAP MEs on the selected LDSSs. When potential payment of eligibility errors are identified, the FIA PE team will notify the LDSS of the required case action. The FIA PE team will conduct a follow-up review of cases requiring action to ensure the LDSS has taken timely appropriate action.

Finding #4:

OIG reported numerous LDSS deficiencies related to critical Social Services Administration (SSA) policies, including child and adult protective services and the out-of-home placement program. (Page 22)

Corrective Actions Taken:

Finding 4A: Complete child protective service investigations timely, and notify appropriate law enforcement, as required (repeat)

Actions Taken:
- DHS SSA implemented new Child Juvenile Adult Management System (CJAMS) processes and reports to capture delays in Child Protective Services (CPS) investigation and explanations of delays. SSA uses this data to provide more focused technical assistance to improve compliance in CPS responses.
- SSA Audit, Compliance and Quality Improvement (ACQI) continues to monitor compliance with investigation and notification requirements and engage SSA and LDSS leadership when appropriate. Where any deterioration of compliance is noted, technical assistance is provided by SSA staff and corrective action plans are required from the LDSS.

Next Steps:
- Develop and issue updated guidance on notification of appropriate law enforcement personnel for CPS investigations.
- Provide technical assistance to the locals for the documentation of law enforcement notifications.
- Application enhancements to capture the supporting documentation for required business processes in CJAMS.
- Develop interim internal quality assurance case review process for monitoring of law enforcement notifications.

Finding 4 B: Document all monthly visits between the caseworker and the out-of-home placement child, and record these visits in DHS records in a timely manner (repeat)

Actions Taken:
- SSA ACQI continues to monitor this documentation and addresses any indication of non-compliance by requesting corrective action plans from LDSS and providing technical assistance in an effort to improve compliance.
- Ongoing regular weekly distribution of Caseworker Visitation data from the Agency Operations Unit is provided to Agency leadership to track accomplishment against the goal of 95% compliance. The month of October 2022 displayed only 3 jurisdictions missing the 95% mandate with overall State experience at 95.15%.

Next Steps:
- Ongoing tracking, notification and technical assistance is being provided.

Finding 4 C: Adequately maintain foster care trust accounts

Actions Taken:
- DHS SSA is currently reviewing and updating the policy guidance and accounting procedures. SSA continues to monitor LDSS compliance with current policy to conserve federal benefits for foster youth in Special Needs Trusts and provide technical assistance and additional training as appropriate.

Next Steps:
- DHS SSA has convened a workgroup to enhance Policy #19-06, Protecting the Resources of Children in Custody, with consideration for the size of the Local Department Office where the specific Foster Youth are supported.

Finding #5:
OIG reported numerous deficiencies related to LDSS user access to critical computer systems.

Corrective Actions Taken:

Finding 5: We recommend that DHS establish appropriate accountability and control over information system access. For example, DHS should ensure that the LDSSs perform formal, periodic monitoring of employee system access to ensure assigned access capabilities are appropriate to each employee's job duties and promptly delete the access of former employees (repeat).

Actions Taken:
- DHS Office of Technology for Human Services (OTHS) Security continues to train and educate all security monitors on responsibilities, including Onboarding/Offboarding, Entitlement Reviews and Role Based Access Control (RBAC). Documentation of that training will continue to be supplied to all security monitors upon completion of that training for their records and referral. Security Monitors are required to complete this training every two years.
- A monthly security monitor meeting continues to be held on the 1st Monday of each month to update all security monitors on policy updates, to address issues, and procedure

changes. Security Monitors are informed monthly to update user capabilities and role-based access to include but not limited to timely removal of former employees. Entitlement reviews are conducted yearly to ensure user access is only what is necessary to complete their job duties.

Next Steps:
Moving forward DHS OTHS Security will require that the documentation of the annual entitlement review be provided by the LDSS to support and ensure role-based access (RBAC) is updated and allows only the access necessary for staff to complete their job duties.

Finding #6:

LDSS contracts were not adequately monitored, and sole source procurements were not adequately justified. (Page 22)

Corrective Actions Taken:

Finding 6: Ensure that the LDSSs obtain and review adequate documentation supporting vendor compliance with all material contract requirements (repeat)

Actions Taken:
- The DHS Central Procurement Division (CPD) sought guidance from the Office of State Procurement (OSP). As a result, seven of DHS' procurement staff were granted the opportunity to participate in the OSP's Contract Management State Training pilot program. CPD also implemented a bi-monthly meeting with Contract Monitors to provide feedback and guidance as well as share best practices regarding monitoring.
- BCDSS has been working diligently to implement process changes, some of which includes training vendor staff on how to use our new system and making enhancements to the monitoring of the contract. Although the process is ongoing, Baltimore City Department of Social Services (BCDSS) has completed a significant portion of corrective action. Specifically, in the fall of 2021, BCDSS, and the vendor's leadership, developed and trained staff on the comprehensive set of data entry procedures for vendor case managers to follow. The initial round of training is complete but additional training is offered as needed. In late 2021, with the assistance of the IT systems team, specific health data fields were added in CJAMS. This is where the required health data that the vendor is responsible for documenting is entered.

- As part of the vendor contract, BCDSS received the first semi-annual audit report in May 2022 issued by Independent Audit Firm. The results of the independent audit confirmed BCDSS original position that the information used by Office of Legislative Audits (OLA) to develop its finding was not an accurate representation of the vendor's contractual performance. Positively, the independent audit also supports BCDSS' internal review of the specific cases included in OLA's audit finding, which found that the vendor had in-fact performed its contractual obligations regarding the development, collection and recording of health care data. BCDSS has used the audit results to help direct its ongoing performance improvement activities. BCDSS participates in three separate, recurring performance

meetings with the vendor. The meetings include BCDSS Innovations Division, Child Welfare Leadership and SSA Central, and the discussions are guided by both the performance data generated during the semi-annual independent review and the performance data that SSA Central provides on an ongoing basis from CJAMS.

- In addition, BCDSS Innovations Unit meets weekly with the vendor regarding the data reports and trends that relate to the Corrective Action Plan and SSA's Audit Compliance Quality Improvement (ACQI) reviews. During these meetings, Innovations and the vendor have ongoing open dialogue about the implemented and under-development improvements to processes and data systems, as well as discussing any additional barriers to performance. Additionally, leadership from both Child Welfare and the vendor are meeting weekly to review performance and develop process improvements. SSA Central also meets bi-weekly with Child Welfare Leadership and the vendor to discuss performance. During these performance meetings, data from the CJAMS Milestone report is analyzed to identify performance barriers, discuss best practices from other local Department of Social Services (DSS) jurisdictions and identify possible solutions.

Next Steps:
- CPD will continue to ensure that during the bi-monthly meetings with contract monitors, we will continue to discuss the importance of vendor compliance with contract requirements.

BCDSS will continue performing the continuous improvement activities described above.

Actions Taken:
- DHS CPD has provided guidance on the sole source procurement method to the LDSSs as part of the bi-monthly Procurement Advisory Meetings.
- Additionally, the CPD has created a Competitive Waiver Determination form that is to be completed for procurements greater than $15,000 and is available on the Department's Knowledge Base platform.
- Local procurement staff member at St. Mary's County was one of the seven DHS participants in the pilot training provided by the Office of State procurement. The identified staff is now a certified Maryland Procurement Officer. In addition, DHS Central Procurement Division and St. Mary's County have worked closely to strengthen the LDSSs' understanding of the procurement process including the sole source procurement method.

Next Steps:
- Contract Processing Unit (CPU) will be dedicating some of the Contract Monitoring Advisory Committee Meetings to perform spot checks of sole source and other contracts throughout the year. To commence by April 2023.

- St. Mary's County will continue to follow the sole source procurement policy.