

PARTNERS IN CONTINUOUS IMPROVEMENT



FISCAL YEAR 2021

OTI YEAR IN REVIEW

OFFICE OF TRANSFORMATION AND INNOVATION



TEXAS
Health and Human Services



About the HHS Office of Transformation and Innovation

The Office of Transformation and Innovation (OTI) resides in the Chief Policy and Regulatory Office, a key part of the Texas Health and Human Services (HHS) System. OTI helps HHS teams improve the efficiency, capacity, and quality of their work by providing a broad range of services.

Identifying, implementing and supporting process and system improvements:

Since its inception, OTI has partnered with Department of State Health Services (DSHS) and most divisions of the Health and Human Services Commission (HHSC) to complete more than 70 process improvement projects.

Building HHS expertise for process improvement and change management:

Through training, consultative services, and technical support, OTI is developing HHS team members' capacity to conduct process improvements and address the people side of change for best success. Two significant learning opportunities are

helping people implement efficient, effective, sustained changes in their own work, while growing a network of process improvers and change agents.

- The Continuous Leadership Academy teaches Lean Six Sigma tools for public sector application and incorporates emotional intelligence content to address the complex human dynamics commonly encountered.
- Change Management workshops are interactive experiences that introduce participants to tools and strategies on guiding people through change for sustainable outcomes.

Applying a structured approach to change management to promote participation and buy-in for process improvement changes:

Crucially, this approach promotes a culture of inclusivity, where employees have a voice in shaping their work, advancing our ability to care for Texans.



JORDAN DIXON

Deputy Executive
Commissioner

Facilitating coordination, on-going transformation activities, and strategic planning across HHS:

To enact the Legislature's vision for the HHS System, OTI coordinates organizational changes, ensures excellence in internal support services, and facilitates the Cross-Division Coordination Group, which promotes collaboration and coordination among the Office of Inspector General, the DSHS the Department of Family and Protective Services, and the HHSC.

OUR MISSION

To drive a culture of continuous improvement through a collaborative approach to business process improvement and design, change management, and cross-divisional alignment.

OUR VISION

An HHS system that provides the highest quality services as efficiently, seamlessly, and collaboratively as possible, eliminating bureaucratic and administrative waste and inefficiency to allow HHS teammembers to focus on their core functions.

OUR VALUES

- Collaboration
- Approachability
- Excellent customer service
- High quality
- Team work

OTI Teams: Continuous Improvement Experts



INNOVATION

Sarah Roper-Coleman
Director

This team works with internal partners to identify solutions to complex problems by conducting research and analysis to identify root-causes and opportunities and goals for improvement.



PROCESS IMPROVEMENT

Eric Vryn
Director

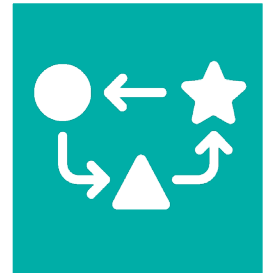
This team oversees the development and implementation of the first process improvement training and certification program at HHS, the Continuous Improvement Academy.



STRATEGIC ENGAGEMENT

Sheri Costa
Director

This team leads HHS on adopting change management principles and strategies or simply, how to guide people through change for successful outcomes. This work helps build a culture of inclusivity where HHS members have a voice in how our daily work can change for the better.



TRANSFORMATION

Misti Hair
Director

Members of this team bring their strengths in organizational assessment, business analysis, process improvement, quality management, group facilitation and strategic planning to help internal clients realize their full potential.

OTI Projects Fiscal Years (FY) 2020 and 2021

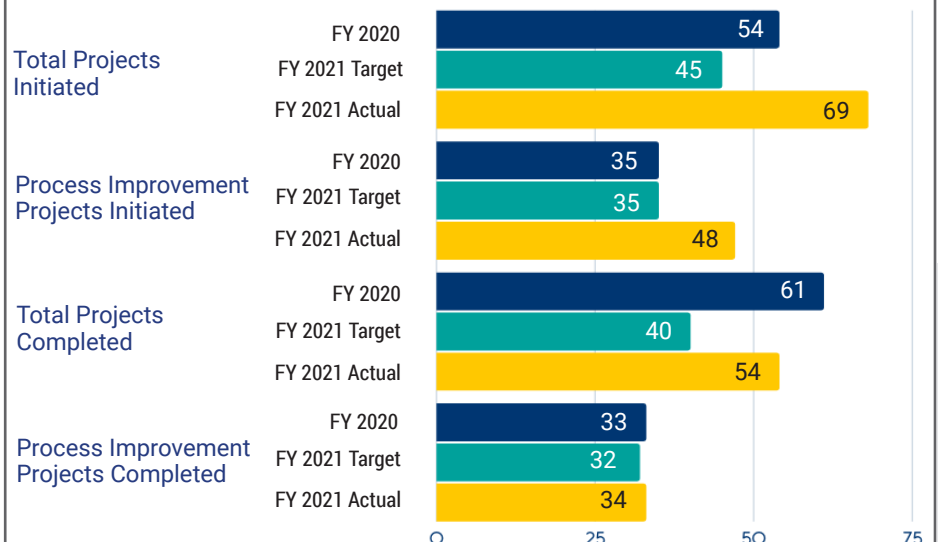
Milestones Completed On Time

94.5%

FY 2020

95%

FY 2021



OTI Guides Quicker Reimbursement for New Owners of Nursing Facilities

In March 2020, OTI published the Nursing Facility Change-of-Ownership (CHOW) and Payments report, which contained numerous recommendations to improve the licensing, contracting, and payment process for nursing facilities undergoing a change-of-ownership. OTI worked with Medicaid CHIP Services and Regulatory Services, the Texas Medicaid & Healthcare Partnership (TMHP), and providers to develop and implement many of these recommendations.

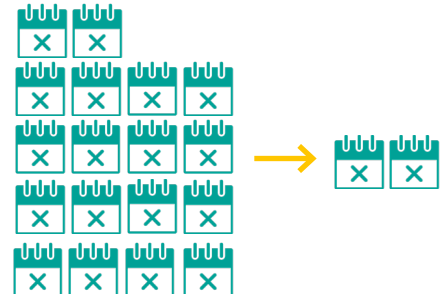
TMHP was a key partner in this effort and contributed to the overall time savings by collaborating with OTI and stakeholders to identify and implement a quick win: creating a new Electronic Data Interchange (EDI) application process new owners can use to speed up clearance for Medic-

aid reimbursement for services they provide. In comparison to the mail-in process, which in some cases took more than two weeks," the online process takes only a few days. The new process also reduced application errors and eliminated manual processing work previously done by TMHP.

The improvement has since been leveraged to benefit all long-term care providers, such as intermediate care facility providers and Medicaid waiver program providers, not just nursing facilities.

This improvement was completed under terms of TMHP's existing contract with HHSC, meaning the new EDI submittal process was developed, completed, and rolled out at no additional cost to HHSC.

18 days → 2 Days



Submitting EDI agreements online resulted in a 16-day time reduction in EDI Submittal timeframe, from 18 days to 2 days.

"OTI created an environment for cross-organizational collaboration that resulted in significantly reducing the licensure to contracting processing times. The training OTI provided helped our team create real-time automation for tracking requests online created efficiency and reduced the manual staff resource burden."

-Felicia Nelson, Medicaid CHIP Services

"Allowing providers to submit the EDI application electronically instead of through the mail has shown to dramatically decrease the amount of processing time. The provider community has expressed satisfaction with this new submission option."

- Jonah Hogg, TMHP

"OTI continues to drive our culture of continuous improvement, working in partnership with teams throughout the agency to create efficiencies and opportunities for greater collaboration. This work has real world impacts, ultimately leading to improvements in the services HHS delivers to millions of Texans."

- Cecile Young, Executive Commissioner



Invoice Improvements Result in Savings



Since improvements implemented in September 2020, late payment interest dropped **53%.**

COST SAVINGS:
\$229,740

In 2019, OTI worked with the HHSC Chief Financial Officer Accounts Payable (AP) team and the Contract Monitoring team from Procurement and Contracting Services to address a pattern of late payments that caused extra work for AP team members, late payment penalties, and frustrated payees.

Building on work started by AP, OTI worked with AP to analyze the root causes of late payments, develop new agency-wide invoicing policies, and implement a new late payments dashboard to improve visibility of payment issues. Since the improvements were first implemented in September 2020, late payment interest has dropped by 53 percent as of July 30, 2021 compared to the previous fiscal year from \$432,017 to \$202,277 – a cost savings of \$229,740.

"Through this collaboration, the progress made to reduce agency prompt payment interest expense during Fiscal Year 2021 has been incredible. The agency exceeded our goal to reduce the expense by fifty percent compared to Fiscal Year 2020. I am so glad we can all celebrate this big win for the agency."

- Paula Reed, CFO

As Wireless Devices Move to Cost Pool, Late Fees Expected to Drop

During the Invoice Improvement Project, OTI and AP discovered significant late payment challenges related to the agency's payment processes for wireless devices.

In October 2020, OTI initiated a new project to analyze and improve the agency's wireless service payment processes. During the analysis, OTI and AP determined that the current payment process had not been scaled to match HHSC's size and complexity following the HHS Transformation in 2016. As a result,

OTI worked closely with the CFO and other agency stakeholders to migrate HHSC's wireless payments to the agency's cost pool, which will reduce the complexity of the payment process and ensure more timely payment.

The cost pool migration took place on September 1, 2021. We expect it to result in reduced or eliminated late payments for wireless services as well as reduced staff time and administrative burden.

"Accounts Payable is once again excited to work with OTI on ways to improve payment processing. The Wireless Telecom Project has allowed us to streamline the approval process and reduce the number of entry lines required to process each wireless payment. While managers will still be able to review phone and data usage for their staff, the use of cost pool funding will significantly reduce the number of entry lines required to process payments for wireless devices."

- David Schneider, CFO

\$14,200

Expected decrease in late payment interest paid

51%

Expected reduction in payment processing time

Calendar Days

38 → 18.5

99%

Expected reduction in payment processing entries

Manual voucher line entries

925 → 6

94%

Expected staff hours saved

Staff Hours/Year

216 → 12

Ernst & Young Cites Improvements to HHS Procurement and Contracting

In 2021, OTI led implementation of the last of 16 projects in its Procurement and Contracting Improvement Plan. Ernst & Young commended the agency for significantly elevating its procurement and contracting processes, which should result in improved services for the people HHS serves and cost savings for Texans.



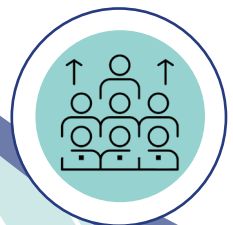
Improved internal communication and focus on customer service by Procurement and Contracting Services (PCS) leadership and staff

Enhancements to the CAPPs Financials system, allowing users to process and track procurements by obtaining real-time status updates



Documented and improved processes, resulting in a significant reduction in contract approval routing time from 54 days to 5 days in a pilot conducted by PCS and DSHS

A comprehensive training strategy and framework, including a dedicated training team within PCS and an online training library available to all HHS employees



The establishment of a Contract Management Support team in PCS to provide standard policies, tools, templates, and technical support to HHS contract managers

Improvements in workforce stability, including a reduction in the PCS supervisor-to-purchaser ratio of 20:1 to 12:1 since October 2018, and a reduction in the PCS vacancy rate from 24.3 percent to 4.74 percent



"It was gratifying to see the wins. This has been an enormous undertaking, but, through these projects, we have made a real and important impact on our business and on our ability to make a difference in the lives of our fellow Texans. PCS will continue to look for ways to improve the procurement process so that HHS can operate more efficiently and effectively to support Texans."

- Kay Molina, PCS

Improvements Mature Purchasing and Contracting Processes

In OTI's continuing efforts to identify and support efforts to further improve HHS procurement and contracting functions, OTI will focus on three major areas of improvement project areas in the coming year:

- Increasing efficiency and reducing errors in the procurement process
- Expanding data-driven decision-making in the procurement process
- Effectively managing risk, reducing administrative burdens, and clarifying roles and responsibilities for contract management

Compliance and Quality Control Quick Reference Guides

OTI developed quick reference guides with Compliance and Quality Control (CQC) to support the standardization of solicitation review functions and to serve as a resource for PCS purchasers and other stakeholders to better understand CQC functions and how and when to engage CQC.

"It has been a genuine pleasure to work with OTI on this project. They consistently brought creativity and professionalism to the project and were instrumental in ensuring the project timelines were met and the final documents complied with agency accessibility requirements."

- Shyra Darr, Director, CQC

Sampling of Current Procurements and Contracting Projects



Requisition Resource Center

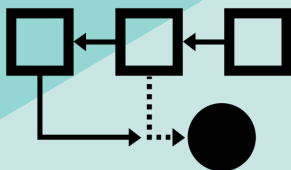
This online resource hub will provide quick and easy access to requisition tools, quick reference guides, and other resources to prevent errors, reduce the need for rework, and help ensure a complete requisition is submitted from the start.

System Contracting Improvement

Complex solicitations require a legal review from the Office of Chief Counsel's System Contracting team. OTI is creating a tool to summarize System Contracting's final legal review of solicitation documents, which will include a report of issues identified, providing a consistent form of feedback to PCS and program areas on the quality of their solicitation documentation.



Grants Improvement



OTI will create process maps to outline the entire lifecycle (from application to closeout) of federal grants operating within the agency, summarize roles and responsibilities of all teams within the process, and generate process improvement recommendations.

CQC Solicitation Review



In collaboration with CQC, OTI developed a set of tools to facilitate an efficient process for PCS staff to submit solicitation documents to CQC for review, and to capture and report on the types of issues identified in CQC's review of the documents.

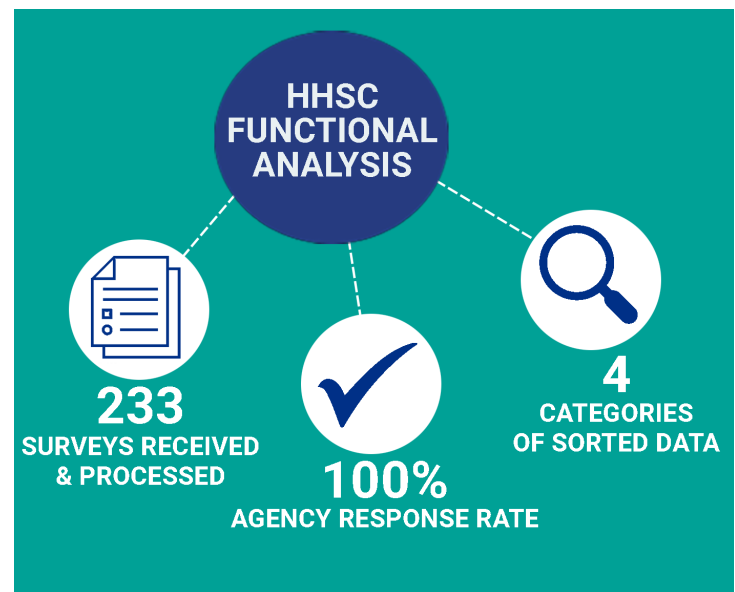
"The OTI team were excellent partners from the outset, and they worked hard to deliver a comprehensive set of recommendations. Deploying quick reference guides increased transparency into our processes and standardizing our solicitation reviews improved communication and enabled robust analytics and reporting."

-Rob Ries, CQC

OTI Project Offers Snapshot of HHSC Programs

The HHSC Functional Analysis used surveys to collect and organize baseline information from each HHSC program, department, and office. Information included functions, accomplishments, and goals. OTI provides access to this “snapshot in time” data on the Cross-Division Coordination Group SharePoint site.

Originally, this data was to be used for the purposes of satisfying any inquiries from the limited-purpose Sunset Commission review of the HHS system, scheduled for the 2022-2023 biennium. Although this review was ultimately postponed, OTI achieved a systemwide 100 percent response rate, which accounted for 233 completed surveys.



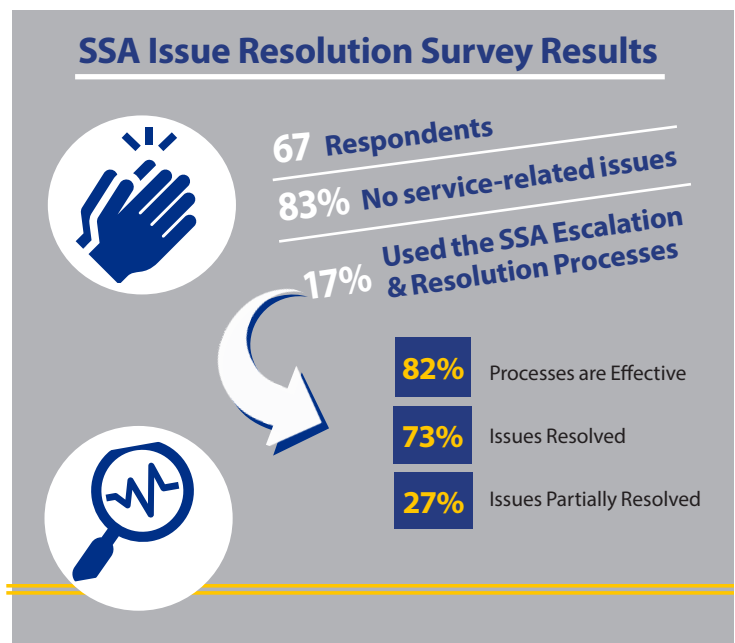
Surveys Inform SSA Performance Model



In the fall of 2021, OTI began the implementation phase of a new Support Services Agreement (SSA) model for measuring the performance of each HHSC administrative support area (ASA). OTI deployed an SSA Issue

Resolution Survey in September 2021 and an SSA Customer Survey in October 2021. Results from these surveys, along with the ASA's division measures, will inform the ASA's Feedback Assessment and Improvement Review (FAIR) later this winter.

The FAIR process will provide a complete picture of the quality of services for each ASA and enable discussion for identifying opportunities for ways to improve and strengthen relationships between the ASA, its customers, and its partners.



CDCG Encourages Collaboration, Communications

Since the revamp of the HHS Cross-Division Coordination Group (CDCG) in 2018, this network of collaborators from across the HHS System has become the most sought-after group to:

- Weigh in on impactful new initiatives, policies, or procedural changes that directly affect HHS team members and those they serve.
- Provide a forum for HHS programs to educate members about their work to improve the lives of Texans and form new cross-agency connections.

By expanding use of technology, CDCG members were able to share resources and create networking opportunities. An improved CDCG SharePoint site provides access to cross-agency resources and information on topics addressed at monthly meetings. A new action tracker now enables CDCG to track the reach of member information-sharing and their participation in collaborative efforts.

Building on this momentum, the CDCG continues its drive to communicate, coordinate, and recommend up, down, and across the HHS system.



The CDCG is comprised of mid-to senior-level staff from DSHS, DFPS, OIG, and each division and major area within HHSC. CDCG members provide a systemwide perspective that can improve initiatives or proposed changes that ultimately improves services to Texans.

Despite the pandemic, CDCG continued to evolve in 2021

In the past year, CDCG members:



- Provided input during development of the Purchase to Payment Portfolio, a series of projects to address inefficiencies in the HHS procurement process.
- Weighed in policies and the use of technological tools to advance efficiencies and collaboration.
- Took on the role of hosting the Functional Analysis data that provides a snapshot of the scope of HHSC programs, clients served, and support services.

"I really appreciate your efforts and those of everyone involved. You guys are a testament to what true teamwork means. You truly never lose sight of the individuals in our huge team and the ultimate mission of helping people in need. Thank you!"

- Patrick Randall, CPSO
CDCG member

CDCG By the Numbers

55

MEMBERS

65

MONTHLY MEETING
ATTENDEES

29

PROJECTS,
POLICIES, INITIATIVES
ADDRESSED IN 2021

4,100

MINIMUM # PEOPLE REACHED
WITH CROSS-AGENCY IMPACT
INFORMATION

12

DIVISIONS/AREAS
SHARING OUT
INFORMATION

"Being a part of the CDCG has allowed me to step into my role more fully in helping our staff become more informed and aware about various topics and opportunities across the HHS system. More importantly, it is an inviting forum for our staff to come together and learn, share ideas/thoughts, and to become more involved. The CDCG also provides resources and tools/methods that make the communication process effortless!"

- Janna Doan, CFO
CDCG MEMBER



HHS Lean Six Sigma Training and Certification Program Now Continuous Improvement Academy



Since the start of OTI's Lean Six Sigma Training and Certification Program in 2020:

3,000+
Training Hours

74%
Students Certified

\$95,000+
Training Cost Savings
to HHS

"The instructors led the class with such humor, steadiness, and a comfort that only comes with a command of the content and a deep understanding of the human factors that make a class run well."

- Andrea Richeson,
PCS

Year One Summary

Since its inception in 2020, OTI's Lean Six Sigma (LSS) Training and Certification Program has received more than 500 applications for training in Lean or Lean Six Sigma, completed over 3,000 hours of training, and certified 74 percent (43 out of 58 students) of those students accepted into the program, saving HHSC more than \$95,000 in training expense. Additionally, OTI provided emotional intelligence training for continuous improvement practitioners to more than 140 HHS team members spread across six divisional areas.

2022 Training Program

In late 2021, the LSS Training and Certification Program was revamped to better serve the needs of HHS team members and was renamed the Continuous Improvement (CI) Academy. Classes in 2022 will be offered quarterly, with students meeting two to three times a week for one to three hours at a time, over the course of eight to ten weeks. Students will receive advanced-level training in Lean and other continuous improvement methodologies along with classes in project and change management. Students will also be offered optional workshops on various types of continuous improvement tools and techniques, including demonstrations of how OTI staff have applied these tools to HHS process improvement projects.

Process Improvement Network and Yammer

In 2021, OTI launched the Process Improvement Network (PIN) to connect alumni from



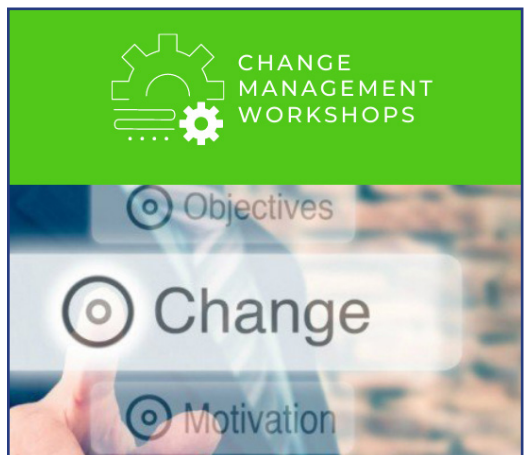
the CI Academy and other certified continuous improvement practitioners from across the HHS system. The PIN gives members a way to identify others across the agency who have the training, experience, and skills to collaborate on process improvement projects.

Enhancements to the PIN to make it more robust are currently being tested by graduates of the CI Academy and OTI team members. Microsoft Yammer is an internal social networking application that allows those in the test group greater connection options through online discussion forums where they can share knowledge and resources and discuss the latest trends and topics in the world of process improvement. The test period for Yammer is expected to end in January 2022, at which time OTI will decide whether to extend it to everyone within the PIN. The pilot is expected to end in January 2022.

"Thank you for the awesome training opportunity! I look forward to being a part of future improvements at HHSC! And future certifications! I have already started putting my knowledge to use."

- Sheila Hyde, CFO

OTI Leads HHS Change Management Movement



OTI is leading a movement to make change management principles and practices part of the broader effort to create a culture of continuous improvement. Change management is a blanket term to describe the processes, strategies, techniques, and tools used to manage the people side of change.

OTI Change Management Guide

In 2021, OTI produced an online 'do-it-yourself' change management guide and a series of half-day change management workshops under the banner *Take the Surprise Out of Change*.

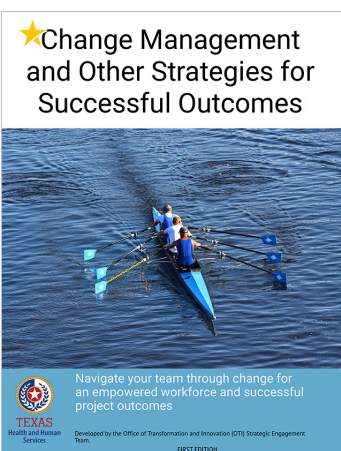
The guide, *Change Management and Other Strategies for Successful Outcomes*, is a collection of best practices for ensuring the people affected by change are engaged, informed, and respected throughout the change process. The guide serves as a go-to resource for anyone initiating change that affects their team's work processes or structure.

Take the Surprise Out of Change Workshops

Response to the *Take the Surprise Out of Change* workshops was a firm indication of the strong interest in change management. OTI developed two specific workshops—one for HHS Leaders and one for HHS Improvers, people who focus on project management, process improvement, or policy and program changes. Within hours of opening online registration, more than 430 HHS team members signed up for the change management workshops. Ultimately, four Leader workshops and four Improver workshops were held with just under 200 total participants.

OTI held a special one-time workshop for members of the HHS Executive team. Since then, other leadership teams within the agency have requested their own custom change management workshops. These include Procurement and Contracting Services, Regulatory Services, and the Ombudsman's Office.

Building off the momentum of 2021 and based on participant feedback, OTI plans to offer more Leader and Improver workshops and offer additional sessions that go deeper into specific change management tools and strategies. These workshops will also become part of OTI's Continuous Improvement Academy curriculum.



Workshop Feedback

"....I think it great that the state has finally started doing this for leaders. I have started working with mid and lower managers in my department on basic leadership concepts, as many do not have college or formal training. This needs to be brought down into all layers of management, not just directors."

"It was truly meaningful and valuable to me, as a new manager thrust in the throes of a reorganized team."

"One of the best classes I've attended."

- Take the Surprise Out of Change workshop participants

2021 Take the Surprise Out of Change Workshops

4 Leader Workshops Held
4 Improvers Workshops Held
200 Participants

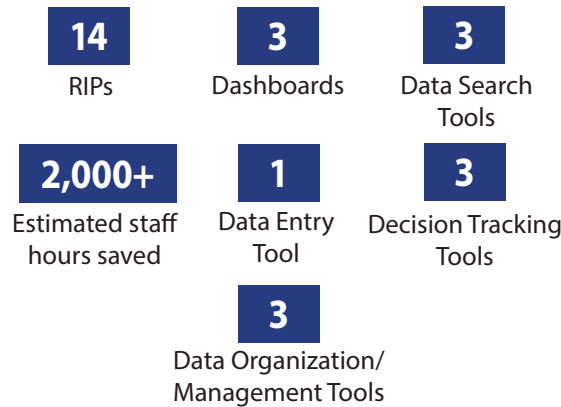


Rapid Improvement Projects Give Quick “Wins”

A Rapid Improvement Project (RIP) is a project that is expected to produce a process improvement while taking 40 hours of work or less of an OTI team member's and project team's time.

Sampling of 2021 RIPs

2021 RIP Projects Summary



Facilitated two transfers of process and responsibilities between teams

Automated process by connected Microsoft Forms and SharePoint

Produced visual work instructions for process

Created mobile-friendly form submission platform

Disability/Behavioral Health Services (IDD/BHS) Technical Assistance Log

OTI connected the IDD/BHS Technical Assistance Log to a SharePoint list to allow for access by all the division's program specialists.

"It's great having the information right there on our main work site."

- Elizabeth Green, IDD/BHS

Allowable Unencumbrance Decision Tracker

OTI provided a centralized location for the CFO to summarize and justify business decisions related to unencumbered funds. The location will include a link to policies governing unencumbered funds.

"I am more than happy to say we are working towards good progress and I am looking forward to the final package."

-Paula Reed, CFO



CQC Prioritization Tool

To help CQC prioritize its work, OTI developed a tool that compared the multiple components of a solicitation, calculated the cost-benefit ratio between the components, and prioritized those components into a visual ranking system.

IDD/BHS Requisition Review Query Tool

OTI developed a tool that allowed IDD/BHS staff to review multiple requisitions at one time and identify errors. The tool cut review time down 25 percent and resulted in 49 hours of staff time savings.

"With this new query and updated Substance Use Disorder requisition check tool, OTI cut back on one of our largest seasonal 'time-sinks.'"

- Ed Sinclair, IDD-BH Operations

Asset Research and Logging Tool

OTI developed a tool that allows AMO staff to scan an item by asset tag number, automatically search in multiple databases simultaneously, and display result on a single dashboard. This tool led to a 278 percent increase in processing speed and resulted in an estimated time savings of 1,679 hours each year.

"It's like night and day. It has really made our team proud to see and feel the difference the automation makes and the increased ease of access it has allowed."

- Cody Minshew, Asset Management



FISCAL YEAR 2021 IN REVIEW

Office of Transformation and Innovation

PARTNERS IN CONTINUOUS IMPROVEMENT



hhs_transformation@hhs.texas.gov



North Austin Complex
9th Floor - Mail Code 1045
4601 W. Guadalupe St.
Austin, Texas 78751



<https://txhhs.sharepoint.com/sites/cpo/oti/SitePages/Home2.aspx>
(HHS Employees)



<https://www.hhs.texas.gov/about-hhs/process-improvement/office-transformation-innovation-oti>
(HHS public website)

