

# Meeting FLORIDA'S Human Services CHALLENGES

A Task Force Report  
On Ways To Improve  
State Health & Public Assistance

**PARTNERS**  
in  
**PRODUCTIVITY**





# PARTNERS in PRODUCTIVITY

Working for enhanced government performance on behalf of Florida taxpayers

"Partners In Productivity" is a unique public and private cooperative effort spearheaded by Florida TaxWatch and the Florida Council of 100 to identify, implement and reward major cost savings and performance enhancements in Florida state government. The program operates under an Executive Order of the Governor, a Cabinet resolution and support of the leadership of the Florida Legislature.

"Partners" is a three-tiered initiative aimed at increasing efficiency and reducing waste in Florida government. It consists of a special task force, development of a system for measuring government productivity, and recognition and rewards for outstanding performance.

**Productivity Task Force.** This group of 39 of the state's top business leaders is charged with developing "big-ticket" cost saving ideas and management improvements for implementation in state government. The key areas of concern are education, transportation, health and social services and corrections, which together spend almost three-fourths of the state's \$21 billion budget.

**Productivity Measurement.** Florida TaxWatch, the Florida Council

of 100 and our government leaders will develop and institutionalize a first-in-the-nation government performance measurement system to ensure that productivity enhancement in Florida government is an ongoing top priority. This measurement system will provide meaningful data for an annual awards program to reward exceptional performance achieved by state workers.

**Productivity Rewards and Recognition.** As an extension of "Partners In Productivity," monetary and other rewards will be given to state agencies and individuals for cost savings, good management and innovation in the Florida work force.

## REPORT CARD

The challenge and opportunity of turning government management around and getting it to focus on output, performance and productivity is crucial to Florida's future.

An important part of the "Partners" effort is an evaluation of the state's success in implementing cost saving ideas and management improvements. An initial government performance "report card" will be prepared in 1989. The final report card will be issued in 1990.

*Partners in Productivity is funded by a grant from the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois and an additional investment by Florida TaxWatch Founding Member J.E. Davis and A.D. Davis, Winn-Dixie Stores, Inc. in order to develop more effective systems for measuring and rewarding increased performance in Florida's state government.*

# MEETING FLORIDA'S HUMAN SERVICES CHALLENGES

April 1989

*A Report to the Governor, Cabinet, Florida Legislature and Florida Taxpayers*

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In fulfilling the duties established by this executive order, the Task Force shall employ modern business management and accumulated management expertise to:

- A. Support innovative and proposed management improvement programs.
- B. Increase efficiency and productivity and reduce the cost of government services.
- C. Identify current opportunities for operational and organizational management improvements that would help redesign the incentive structure of state government for improved productiveness.
- D. Consult with private sector organizations for advice so as to identify and designate specific areas for further indepth management studies.

*Governor's Executive Order creating the  
Partners in Productivity Task Force  
November 24, 1987*

# From The Chairman



This report summarizes the findings of the Partners in Productivity subcommittee studying Florida's health and social services programs and management of resources under the jurisdiction of the Florida Department of Health and Rehabilitative Services (HRS).

The subcommittee, with the full cooperation of HRS Secretary Gregory L. Coler and top HRS staff, examined over 60 areas with potential for improving HRS program management and service delivery to better meet Florida's growing social assistance needs.

The subcommittee considered both ongoing and proposed programs. HRS staff provided briefings on numerous issues that included objectives, priorities, impacts, strategies, barriers and resources, and estimated cost savings/cost avoidances. The resulting initiatives were prioritized for subcommittee action based on dollar impact, feasibility and acceptability.

Many opportunities exist to operate and manage

programs in the Department of Health and Rehabilitative Services more efficiently. This report recommends over 80 improvements in six main areas:

- Indigent health care
- Preventive health care
- Self-sufficiency of public assistance clients
- Management information systems
- Contracting and management operations
- Productivity improvements for all state agencies

Implementation of the report's 27 major initiatives in these six areas can result in a more effective and productive Department of Health and Rehabilitative Services. Some may require additional investments in the short term to save in the long run.

The issues identified and the recommendations made in this report will be monitored during the next 12 months and success of implementation will be assessed in a follow-up report card.

The subcommittee wishes to thank Secretary Coler and his staff, especially Victoria Fierro, Jill Sandler, Viann Hardy and program office staff for their enthusiastic support and cooperation. Their contributions have added immeasurably to the development of this report.

The subcommittee is likewise indebted to the staffs of Florida Tax Watch and The Florida Council of 100. Particular thanks goes to David M. Davis who served as principal staff to the subcommittee while concurrently performing the duties of Executive Director of Partners in Productivity. Appreciation is also expressed to Catherine Haagenon, Director of Communications of Florida Tax Watch.

Ultimately, the subcommittee will have successfully performed its task if, after implementation of its recommendations, the Department of Health and Rehabilitative Services has more productive systems and procedures through which it can provide cost effective services to Floridians.

William E. Flaherty  
Chairman

# Florida's Growing Public Assistance Needs

Among Florida's state agencies, the Department of Health and Rehabilitative Services (HRS) has the highest number of employees (41,000) and the second largest budget (\$4.7 billion in 1988-89).

## The Many Missions of HRS

The department provides a wide variety of health and social services to assist people who are disabled, sick and poor. Other programs, such as community health, are available to everyone in the state, without regard to their income.

HRS operates mental hospitals, facilities for people with developmental disabilities, training schools for delinquent minors, and group homes and halfway houses for children and adults. The department also licenses nursing homes, foster homes for children and drug treatment centers.

HRS programs include medical care for children, alcohol and drug abuse treatment, child support enforcement, financial aid to obtain food, health services and job training, and assistance to Floridians age 60 or older and disabled adults of any age. Most services are offered free of charge to eligible people, while others are based on ability to pay.

## Social Problems Stress The System

Many factors contribute to the urgent need for more effective HRS management systems and greater efficiency in the delivery of health and social services. One is Florida's population, which is growing at a rate of 900 new residents per day, inevitably increasing the demand for services.

Another is the alarming increase and awareness, in Florida as in the rest of the nation, of negative cultural realities such as child abuse, substance abuse, senior citizen and child neglect, burgeoning health costs and homelessness. All of these societal problems have – over the last decade – placed an increasing burden on an agency whose practices and resources seem better tailored to the more benign social demands of the sixties and seventies.

Of these demands, probably the most visible and pressing are the interrelated dilemmas of drug abuse and AIDS. In many cases, drug abuse has been shown to spread the deadly AIDS virus, which in only a few years has escalated from an unknown disease to a major public health crisis. *HRS predicts over 32,000 AIDS cases in Florida by 1991, reflecting an approximate yearly doubling of reported cases since 1980.* Estimates of long-term AIDS treatment costs run into the billions of dollars.

Similar to the impact of AIDS on Florida's public health system is the tragedy of infant drug addiction. Just one year ago, Florida health authorities were aware of 200 babies being born addicted to cocaine. Now it's 2,000, a staggering 900 percent increase. The figure is expected to soar as high as 10,000 by the end of 1989.

## The High Cost of Caring

Health care costs to the state to save these babies and to maintain them after birth have skyrocketed. Neonatal intensive care for a cocaine-exposed baby is about \$2000 per day. But whether or not drugs are involved, Florida is experiencing a problem with infant health.

According to the Florida Center for Children and Youth, of the total 175,000 births in Florida in 1987, nearly 24,000 were born to teenage mothers. In 1986, nearly 13,000 low birth weight babies were born in this state. They are at greater risk of dying during the first year of life than babies born in 27 foreign countries. Costs to the state for long-term development services are also rising as more impaired children survive and require long-term services.

Other health care costs are escalating as well. *The Medicaid price tag has tripled from \$645 million in 1982 to \$2.1 billion in 1989.* Medicaid reimbursement for nursing home care jumped three and one-half times from \$176 million in 1982 to an estimated \$611 million this year.

To make matters worse, the Employee Benefit Research Institute reports that almost 25 percent of Floridians do not have health insurance. This results in inadequate health care for anyone without the resources to pay for medical care out-of-pocket. It also means that hospitals and taxpayers absorb the costs for uninsured patients. Florida hospitals reported \$1.7 billion worth of uncompensated care in 1986.

### Children At Risk

The shocking scourge of child abuse and neglect has left public officials stunned and often ill-equipped to meet the needs of this insidious social condition. Recent improvements in abuse reporting include an automated abuse registry and new requirements for county hospitals to call in suspected abuse cases.

Yet implementation of this automated, centralized abuse registry system did not take place until 1988. Reports of child abuse and neglect have increased from 55,486 in 1982 to an anticipated 122,000 in 1989.

Of the 650,000 children who live below the poverty level, one in three does not receive Aid to Families with Dependent Children (AFDC) benefits due to stringent eligibility requirements. According to the Governor's Constituency for Children, single parents with two children can receive only \$525 per month in AFDC payments, which is just 57 percent of what the state calculates is the minimum amount necessary for survival. Intact, two-parent families receive nothing.

*Moreover, Florida's child care waiting list numbers between 23,000 and 30,000 in any given month.* Without safe, licensed child care, babies and toddlers are more likely to be subject to abuse, neglect, molestation or suffer the negative effects of social isolation in the early years of life.

Many of the recent statistics describing these critical concerns seem to be fed by deeply ingrained, multi-faceted societal problems which one state agency cannot change by itself. The breakdown of the family, the alarming growth of poor, undereducated, itinerant residents in Florida, homelessness, drugs and medical indigence all exacerbate the demands being piled upon HRS.

### Give The Workers A Break

Dealing with complex and ever changing problems, and managing growing caseloads requires more than dedication and compassion. It requires the

services of highly qualified, strongly motivated professionals. But attracting and retaining employees with the necessary expertise and commitment will be difficult under current circumstances.

Besides enduring the inherent pressures associated with serving Florida's needy citizens, *HRS employees are too often underpaid, criticized for their efforts and discouraged from the very creativity and enthusiasm which could allow them to better serve their constituents.* As a result, the agency is burdened by heavy caseloads, low morale and high employee turnover.

In addition, an agency as large and diverse as HRS cannot be expected to provide efficient and timely delivery of public assistance programs, reduce errors and improve productivity using manual procedures or stand alone data management computer systems.

Keeping pace with expansion of services and complex programs requires a comprehensive, state-wide management system that can provide speed, accuracy and full integration of a host of vital programs such as Aid to Families with Dependent Children, Food Stamps and Child Support Enforcement. Old, inefficient systems currently used by the department will no longer get the job done.

### The Productivity Watchword

HRS *cannot* solve the root causes of society's problems. But it must deal with society's casualties, and it must do so with unprecedented efficiency and a careful, steadfast professional public service attitude that transcends anything bureaucratic. Dependent on this obligation are more than the state's needy citizens. The problems facing HRS now confront all Floridians, menacingly touching in some way even the most charmed, prosperous lives.

The steadily increasing demands on HRS represent, whether we like it or not, increased demands on all Floridians. Meeting those demands will mean revamping old systems and procedures, correcting some debilitating management practices and better utilizing both human and technological resources. It will also mean adopting a sound performance and productivity system to measure the results of these changes.

If we do not redouble our efforts to make these and other changes, burgeoning health and human services demands threaten to weigh the state's care giving agency down to the point of collapse.

# Managing the Burden of Indigent Health Care



*When it comes to health care for the disadvantaged, finding practical, effective alternatives to traditional methods of treatment without overburdening providers is the order of the day.*

*The Florida Department of Health and Rehabilitative Services (HRS) is experimenting with prepaid, HMO-Medicaid health contracts, which have already proven cost effective by reducing recipients' use of hospital inpatient services. Some states have reported ten to thirty percent savings over fee-for-service costs, based on 20 to 40 percent fewer hospital admissions and 30 percent fewer hospital days.*

*A proposed case managed health care system for non-institutionalized Medicaid patients could save an estimated \$3.1 million in 1990-91.*

## **Initiative #1: Increase HMO-Medicaid Contracting**

In passing the Omnibus Budget Reconciliation Act (OBRA) of 1981, Congress responded to long-standing state demands for additional flexibility to control the cost of their Medicaid programs. For the first time, OBRA authorized use of brokers of care, restrictions on recipients' freedom of choice of providers, and "locking out" of high-cost providers or those providing inappropriate high volumes of care. OBRA also removed federal restrictions on the

states' use of managed health care programs for Medicaid recipients.

By the end of 1987, approximately one million Medicaid eligible persons in 27 states were enrolled in prepaid health plans. Seventy-two percent of Medicaid HMO enrollments were clustered in just five states: Arizona, California, Illinois, Michigan and Wisconsin.

A recent study by the Florida Department of Health and Rehabilitative Services indicates that health maintenance organization (HMO) plans can save significantly by reducing Medicaid recipients'

use of emergency room and hospital inpatient services. The study showed that AFDC eligible persons enrolled in a Medicaid prepaid health plan used 677 patient days per 1,000 recipients compared to a non-prepaid health plan recipient use rate of 765 patient days per 1,000 recipients.

Many states have implemented innovative – and in some instances large scale – primary care networks and major contracts with health maintenance organizations (HMOs) and health insuring organizations (HIOs). States have also implemented primary care case management programs with mandatory or voluntary client participation and contracted primary care plans in which providers are paid a fixed, per capita fee for providing ambulatory care services to Medicaid eligible persons. Some states have eliminated the fee-for-service system, requiring eligible persons to choose among competing HMO plans and contracting the operation of primary care case management to HIOs.

The department currently has 10 HMO (prepaid) health plan contracts. Enrollment in September 1988 was 42,529 or 10.2 percent of the indigent Aid to Families with Dependent Children (AFDC) population.

Expansion of Medicaid eligibility coverage should reduce HMO enrollee turnover and to a degree prevent patients' ineligibility for cash assistance from also making them ineligible for Medicaid.

### Recommendations

- The department should increase enrollees in Medicaid managed health care systems for the delivery of services by at least 10 percent annually for each of the next three years.
- Additionally, the department should expand the capacity of existing pre-paid contracts to enroll additional Medicaid eligible persons.

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### Initiative #2: Case Manage Medicaid Clients Through The Use Of Primary Care Physicians

Primary care case management programs offer an alternative means of managing recipients' health care and rationing the use of health care services by assigning the role of manager or "gatekeeper" to the primary care provider. Features of programs in other states are:

- Mandatory enrollment with a primary care provider;
- The primary care provider must authorize use of all health care services except emergencies;
- The primary care provider must be on call 24 hours a day; and
- The primary care provider is paid a case management fee (\$1.50 to \$3.00 per month per

recipient) as reimbursement for additional case management responsibilities.

The department estimates that a medical primary care case management pilot project called "Medicaid Physician Access System" (MediPass) can save an estimated \$3.1 million in 1990-91.

### Recommendations

- By June 30, 1989 the department should submit a waiver request to the federal government to approve a primary care case management program in Florida.
- Within six months of approval of the waiver, the department should implement a Medicaid Physician Access System to provide primary care case management in at least two HRS districts, to potentially serve over 64,000 Aid To Families With Dependent Children (AFDC) clients.

### **Initiative #3: Maximize Federal Participation In Case Management Services**

The 1987 Legislature required the Department of Health and Rehabilitative Services to conduct a feasibility study on inclusion of case management as an optional Medicaid service in several HRS program areas. HRS has received federal approval to amend the state Medicaid plan to include case management services as an optional, reimbursable service.

A recent study conducted at the University of South Florida (Coulter & Wolfson, 1988), as well as assessments by HRS highlight barriers to implementation of comprehensive case management. These include lack of a centralized and uniform data

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*“The department can earn additional federal Medicaid dollars through greater use of health care case management.”*

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base, high turnover among case managers, insufficient case manager training, lack of an overall system of case management for multi-program and multi-problem clients, limited use of managed health care systems and insufficient money.

The department can and should earn additional federal Medicaid dollars through greater use of health care case management of services provided by the Offices of Children’s Medical Services; and Alcohol, Drug Abuse and Mental Health. General Revenue savings resulting from this strategy could be used to further enhance HRS managed health care systems.

### **Recommendations**

- By January 1, 1990 the department should amend the state Medicaid Plan to include case management services reimbursable under the Children’s Medical Services; and Alcohol, Drug Abuse and Mental Health Programs.
- By June 30, 1991 Florida’s Medicaid Program should establish a managed health care system for non-institutionalized Medicaid eligible persons who do not have special health problems.
- This system should include a “gatekeeper” for controlling the use of selected services, prepaid health plans, primary care case management systems, HRS county health units, primary care centers, recipient utilization management to curb overuse of care, and tagged case management services for children and high risk adults.
- Any case management fee paid to a gatekeeper should be structured to provide incentives for improved performance and cost savings.



# Promoting Preventive Health Care



*Florida's public medical outlays are up to 25 times higher for acute hospital care than for preventive health care. Promoting good health practices and ways to avoid chronic disease can hold down future health care costs and reduce the kind of permanent, chronic disabilities that drive up overall health costs. Improved health promotion visibility and disease prevention services can help address health issues on the front end, not after it is too late.*

*Medicaid eligible children up to age 20 can benefit from a new federally mandated service to provide screening procedures to help forestall the development of adverse health conditions. Nutrition programs can prevent birth defects and illness in newborns, and developmental problems and low disease resistance in older children.*

*An equally critical aspect of the child care issue is teenage pregnancy prevention. About eight of every hundred teenage girls in Florida become pregnant. Sixty percent of Aid to Families with Dependent Children recipients had their first child as a teenager. If the more than 4,000 seventeen-year-olds who gave birth in 1985 had delayed childbearing until age 20, an estimated \$30.8 million in public spending would have been saved over the next 20 years. Both meaningful incentives and workable penalties are needed to help bring about this change.*

## **Initiative #4: Improve Coordination of Health Promotion and Chronic Disease Prevention Programs**

Seventy-three percent of all deaths in Florida in 1986 were attributable to hypertensive, cardiovascular and cerebrovascular disease; diabetes; cancer; chronic obstructive lung disease; and renal disease. The onset

of chronic disease is attributable in part to behavioral and lifestyle factors, family history and lack of adequate medical care.

*Health promotion and disease prevention services are the most effective ways to hold down future health care cost increases and reduce disabilities associated with chronic illness.*

## Recommendations

- By December 1, 1990 the Department of Health and Rehabilitative Services should have in place a system that ensures maximum coordination of resources among all state government programs concerned with health prevention and health risk prevention.

- The department's health promotion and disease prevention services should focus on incentives to make individual lifestyle changes to reduce risk factors, and strong encouragement of medical professionals to incorporate health education into their patient care.

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## Initiative #5: Strengthen Children's Health Programs

The Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program is a federally mandated service for Medicaid eligible children up to age 20. It provides initial and periodic health screenings; physical examinations; developmental and nutritional assessments; vision and hearing screening; and immunizations.

Although Florida's screening schedule is consistent with recommendations of the American Academy of Pediatrics, the Academy notes that its guidelines are designed for the care of children who are receiving *competent parenting*, manifest no important health problems and exhibit normal growth and development. A disproportionate percentage of EPSDT eligible children run a higher risk of poor health and developmental outcomes.

## Recommendations

- The department should strengthen its children's screening programs by *targeting high risk children*; increasing by at least ten percent annually over the next five years the number and type of screening procedures and sites (such as public schools and neighborhood clinics); and ensuring adequate follow-up.
- Screening of high-risk children for substance abuse and mental health problems should be added to the current regimen by July 1, 1990.
- The department should develop effective follow-up and case management measures to ensure that appropriate intervention is provided for children who are identified to be at a substantial risk of poor health and developmental outcomes.
- All of the department's Children's Medical Services offices should be Early and Periodic Screening, Diagnosis and Treatment program providers in order to maximize the availability of this much needed service.

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## Initiative #6: Reduce Teenage Pregnancy

Department of Health and Rehabilitative Services' data show that about eight of every 100 teenage girls in Florida become pregnant. Personal and public costs resulting from teenage pregnancy are far too high. Discontinued education, reduced employment

opportunities, unstable marriages (if they occur at all), and heightened health and developmental risks to the children of adolescent mothers are the sources of some obvious and immediate personal costs. Sustained poverty and welfare dependence are all too often the long-term outcomes.

Family planning is an inexpensive preventive service, especially when compared to costs associated with pregnancy, delivery and follow-up care. A 1985 study by the Urban Institute estimates that delaying childbirth for the 4,348 seventeen-year-olds in Florida who had babies in 1985 to age 20 would have saved an estimated \$30.8 million over the next 20 years.

The department estimates that for every dollar spent on family planning, about four dollars are saved in

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*“For every dollar spent  
on family planning,  
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health and social services programs.”*

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other health and social services programs. The average cost per year to serve a family planning client is \$111.

The 1988 Legislature established the Ounce of Prevention Program and provided a one-year \$300,000 appropriation. A three year, \$600,000 private donation has also been secured. This program will promote public and private sector initiatives to help prevent repeated cycles of teenage pregnancy, infant mortality, delayed child development, and child abuse and neglect.

### **Recommendation**

- The Department of Health and Rehabilitative Services should:
  - Promote programs which encourage abstinence, delaying initiation of sexual activity and the burdens of teenage parenting;
  - Target teen pregnancy prevention programs to males as well as females; and
  - Allocate family planning dollars to HRS districts based in part on adolescent pregnancy rates and successful rate reduction efforts.



# Promoting Self Sufficiency of Public Assistance Clients



*Helping people help themselves can yield considerable cost savings and cost avoidance, both now and in the long run. Several HRS and HRS/federal programs can be improved and expanded to provide medical and employment assistance to prevent higher costs in the future.*

*Providing services to medically complex indigent children outside of hospitals (i.e., medical foster care and at-home treatment plans) can save millions annually and Medicaid can benefit up to 60 percent of Florida's eligible recipients by providing alternatives to extended hospital care.*

*Advocates contend that many of Florida's 12,000 plus developmentally disabled citizens over the age of 21 who are dependent upon state assistance can be trained to become more self-sufficient through an increased emphasis on supported employment. According to national surveys, supported employment costs approximately one-third less than traditional non-vocational and quasi-vocational training.*

*Project Independence is shifting the emphasis of our state's welfare program from dependency to providing training and employment services for the chronically unemployed. Enhanced marketing of this initiative and more stringent requirements on teen parents and parents not living with their children can make Project Independence more effective in holding down increases in Florida's current \$1.2 billion tab for assisting families with dependent children.*

*Child neglect can be reduced by expanding the state's child support enforcement program and mandating more adequate and appropriate parental support. Child abuse and support enforcement job classifications should be upgraded to attract more qualified personnel and reduce turnover. The Florida law on child support and federal partnerships should be enhanced to assure this program optimum chances for success.*

**Initiative #7:  
Implement Community-based Services  
To Medically Complex Indigent  
Children**

Children with complex medical problems are defined as those who were born with severe handicaps or who incurred them as a result of accident or illness. Due to the need for full-time medical/nursing supervision and the lack of alternative placement and support services, hospitalization is currently the only viable option for many of these children.

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Based on the average Medicaid per diem rate and the cost of professional medical services, HRS estimates that one year of hospitalization for a child with complex medical problems costs approximately \$200,000. The department says this can be greatly reduced using the following alternatives:

- Medical foster care would cost the department \$50 per day versus an average Medicaid per diem of \$520.
- Prescribed Pediatric Extended Care (PPEC) currently costs \$146 per day or \$53,000 annually. A PPEC facility is a nonresidential, family-centered service providing paid medical care, developmental intervention programming and parental training. This approach includes the family as an equal partner in the plan of care, and assists the family in gaining the confidence

necessary to fully integrate medically-complex children into family life.

- A third alternative to hospitalization – skilled nursing facilities – would cost \$183 per day or \$67,000 annually.

Medicaid can fund these services through an Early Periodic Screening Diagnosis and Treatment (EPSDT) option for eligible individuals in lieu of using 100 percent state General Revenue. Fifty-five percent of these costs would be paid by the federal government.

The department estimates annual savings of \$14.5 million could be realized by providing skilled nursing facilities (as an alternative to hospitalization) for 100 children based on current average Medicaid per diem rates. Additionally, expanding the EPSDT option would help bring about federal participation. Using medical foster care and skilled nursing facilities in lieu of hospitalization would save the department about \$5.5 million in general revenue based on a projected \$10 million program.

**Recommendations**

The Department of Health and Rehabilitative Services should:

- Increase medical foster care and home care services to medically complex indigent children by at least ten percent annually over the next three years as part of a comprehensive indigent health care strategy.
- Pursue maximum federal participation for more than 1,100 Medicaid eligible indigent children with complex medical problems.
- Recruit foster parents and medical professionals with experience in caring for children with complex medical problems. Goal: To increase the number of medical foster care homes by at least ten percent annually over the next five years.

**Initiative #8:  
Assist The Developmentally Disabled  
Through Supported Employment**

Advocates for the developmentally disabled contend that many persons with such disabilities can learn skills necessary to work in the commu-

nity. What is needed, they say, is structured job placement, intensive behavioral training, on-going support on the job and intermittent follow-up.

Almost 10,000 developmentally disabled adults are currently participating in day training programs, with 1,700 on waiting lists. Day programs costing about \$4,500 annually per client provide training in

various non-vocational and quasi-vocational skills. However, these programs have proven ineffective in increasing the employability of persons with developmental disabilities.

Supported employment is an emerging alternative. This is paid work done by developmentally disabled people who work side by side with non-developmentally

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disabled people. Supported employment includes periodic follow-up with clients to resolve problems, and any necessary retraining or other services needed to maintain individuals on the job.

Nationally, supported employment programs cost approximately one-third less than day training programs. Moreover, supported employees become tax-paying citizens who are no longer totally dependent upon government programs. An estimated 5,000 to 8,000 developmentally disabled Floridians could benefit from supported employment now. However, HRS resources are currently structured to provide it for just 700 additional persons annually.

The department is currently funding supported employment demonstration programs throughout Florida. Workers enter employment at an average wage of \$3.83 per hour. By contrast, a 1986 survey conducted by the Division of Vocational Rehabilitation, Department of Labor and Employment Security, showed that workers in day training programs earned about \$1.14 per hour. *Still, the state continues to administer day programs that provide little or no opportunity for integration with non-disabled people.* VR estimates that up to 50 percent of those currently placed in day training programs could function in community-based employment.

Supported employment is an initiative that will improve and extend service delivery rather than yield-

ing immediate cost savings. It can help HRS meet a projected 100 percent growth in demand for services over the next five years, as nearly 11,000 individuals become eligible for services during that period.

## **Recommendations**

- The Department of Health and Rehabilitative Services should double its five year goal of moving clients from day training programs to supported employment.
- The department should shift up to ten percent of budget dollars from supporting facility-based day training programs to supported employment programs annually during each of the next five years.
- Federal Job Training Partnership Act (JTPA) monies should be used to train and place people with developmental disabilities and long-term mental illness.
- Up to ten percent of the department’s adult day training program contracts should be modified annually during each of the next five years to require emphasis on supported employment. Exceptions should be made for elderly clients and other clients for whom supported work is not appropriate.
- Beginning July 1, 1989, the department should systematically collect data to evaluate the cost effectiveness and benefits of the supported employment strategy.
- No later than January 1, 1990, the department should ensure that adequate technical assistance is available to service vendors who anticipate major organizational disruption as they restructure their resources to provide community-based services and competitive employment outcomes.
- By February 1, 1990, the appropriate legislative committee should conduct an interim review of the supported employment program to determine whether any unnecessary overlap and duplication of functions exist in services performed by the Departments of Health and Rehabilitative Services, and Labor and Employment Security.

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### **Initiative #9: Enhance Project Independence**

Currently, there are over 115,000 AFDC depen-

dent households in Florida. Including children and other dependents, over 300,000 Floridians receive assistance through this program. The state is paying about \$1.2 billion annually (45 percent of the total cost)

for AFDC, Medicaid assistance to non-elderly and disabled persons, and Food Stamps administration. The federal government pays 100 percent of *benefit* costs in the Food Stamp program.

Florida's adult AFDC population is 98 percent female and 71 percent minority. Sixty percent of AFDC recipients had their first child as a teenager. Fifty-six percent in training programs lack a high school diploma.

The Florida Employment Opportunity Act of 1987, which evolved from several previous public assistance initiatives, created Project Independence – an expansion of Florida's Work Incentive (WIN) program. It shifts the emphasis of Florida's welfare program to provide training and employment services for the chronically unemployed. Welfare recipients with children age three or older are required to participate in job search and job training activities designed to break the cycle of welfare dependency.

The Act requires the development of special programs for teen parents (ages 14-19) who receive public assistance. Under Project Independence, the primary service is to assist teen parent participants in completing their education, with a secondary goal of employment. Studies by the U.S. Department of Labor show that national manpower needs increasingly require a minimum of a high school education for a person to attain economic self-sufficiency and become a stable, tax paying citizen.

The Employment Opportunity Act has given Florida a significant head start on initiatives that will be necessary to implement the landmark federal Family Support Act of 1988. This legislation requires states to provide all non-exempt AFDC recipients with education, employment and/or training programs by 1990. Additional federal funding, particularly for child care, is anticipated.

In partnership with Florida's business community, Project Independence offers customized training for specific job openings, thereby assisting employers in

of employer hiring incentives such as tax credits and grant diversions are offered.

A major goal of Project Independence is to integrate the efforts of state agencies to maximize use of federal and state resources. For example, the Department of Education is providing pre-kindergarten day care services during school hours for children of the economically disadvantaged. Strengthening the linkage between this initiative and Project Independence can help ensure that women needing employment training get it while their children are cared for.

In 1987-88, HRS and the Department of Labor and Employment Security made 31,570 job placements under Project Independence, representing 113 percent of the 28,000 goal. The goal for 1988-89 is 30,000 placements, with greater emphasis on availability of education, enhancing education and quality considerations. The department contends that an estimated \$50 million savings in welfare cost avoidance will be realized this year.

## Recommendations

- The Department of Health and Rehabilitative Services should maximize federal resources available to states under the Family Support Act of 1988. This includes enhanced funding for child care services that target AFDC parents for a federal/state matching ratio of 55-to-45 percent.
- The department should require teen parents to stay in school or in vocational/technical training as a condition for receiving job training and employment assistance from Project Independence.
- The department should require unemployed parents not living with children who receive AFDC benefits to participate in job training and employment assistance under Project Independence.
- Increasing job retention from 30 days (which is currently achieved in 86 percent of placements) to at least 90 days should be a department performance standard by January 1, 1990.
- The linkage between the Department of Education's pre-kindergarten day care program for children of the economically disadvantaged and Project Independence should be strengthened by:
  - Ensuring that the same eligibility requirements

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***“Project Independence shifts the emphasis of Florida's welfare program from dependency to employment.”***

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obtaining trained employees for high demand skills while helping workers attain self-sufficiency. A variety

- are used in both the pre-kindergarten and HRS programs;
- Maximizing federal dollars from the Family Support Act;
- Providing freedom of choice by parents as to where their children go to pre-kindergarten day care; and

- Assuring that children are provided for after school hours.
- The department should increase its efforts to market the program and demonstrate the benefits of Project Independence to Florida businesses and citizens by at least 15 percent annually during each of the next three years.

### **Initiative #10: Increase Child Support Collections**

The federal Family Support Act of 1988 will enhance Florida's efforts to obtain court-ordered child support payments from non-custodial parents. Changes made by this new federal law will result in increased child support collections and incentive payments to Florida.

*“Child support collections in Florida are expected to increase from \$130 million in 1988 to \$200 million next year.”*

parents to help prevent them from becoming public assistance recipients. Nearly 6,000 Florida families will be able to achieve independence from welfare as a result of increased child support collections in 1988-89.

Several provisions of the Family Support Act have effective dates over the next four years. Some will require state legislation to implement. These include:

- Setting time standards for enforcing child support orders;
- Using data from state labor office files to locate absent parents; and
- Using social security numbers provided by state vital statistics offices to locate absent parents.

The subcommittee cautions that congressional budget balancing actions may result in less federal money than anticipated being available to the states under this Act.

### **Recommendations**

The Department of Health and Rehabilitative Services should:

- Promote the passage of state legislation needed to implement provisions of the federal Family Support Act of 1988 dealing with time standards for enforcing child support orders; and use of state labor data and state vital statistics to locate absent parents.
- Continue to promote a closer working relationship between Florida's Aid to Families with Dependent Children and Child Support Enforcement programs by:
  - **Co-locating** child support enforcement and AFDC staff;
  - **Interviewing clients** for child support enforcement and AFDC simultaneously; and
  - **Enhancing the employability** of parents not living with their children through referrals to Project Independence.

Our state already has immediate income withholding for both AFDC and non-AFDC cases as well as a genetic testing program to establish paternity. Several additional provisions are mandated in the new federal legislation, including:

- Income deduction from non-custodial parents' wages (both in and outside Florida);
- Review of child support orders at least every three years;
- Extension of the statute of limitation on paternity establishment until the 18th birthday; and
- Automation of the child support enforcement process.

As a result of initiatives taken by both the federal and HRS Offices of Child Support Enforcement and new tools provided by the Family Support Act of 1988, child support collections in Florida are expected to increase from \$130 million to \$160 million this year and to \$200 million next year.

This money will be used to reimburse the state and federal government for public assistance funds paid to families with dependent children and to pay custodial

## PARTNERS in PRODUCTIVITY

- Increase the use of effective child support enforcement tools such as credit reporting agencies, IRS Refund Intercept, Unemployment Compensation Benefit Intercept, income deductions and liens by at least 20 percent annually over the next three years.
- Automate the Child Support Enforcement program through the new FLORIDA computer system not later than December 31, 1991.



# Upgrading Management Information Systems



*The Department of Health and Rehabilitative Services has attempted to keep pace with expansion of services and the complexity of public assistance programs through development of stand alone data management systems and manual procedures. Currently, the department has 14 separate automated systems, various microcomputer based systems and numerous manual tracking systems to administer over \$3 billion worth of public assistance programs.*

*The "Florida On-Line Recipient Integrated Data Access" (FLORIDA) system now being developed by HRS is intended to replace many old, inefficient systems and procedures and make administering the department's public assistance efforts more efficient, cost effective and timely.*

*Establishment of an agency wide assistance desk to field incoming calls about computer and data processing problems throughout the department can sharply reduce mis-routed calls and work stoppages.*

*Other cost saving initiatives like consolidation of data centers and software purchases, and linkage with the state's sophisticated SUNCOM telecommunications network to cut down on line charges, can save millions of dollars annually.*

## **Initiative #11: Consolidate Data Management Systems**

In order to provide more efficient and timely delivery of public assistance benefits to recipients, reduce errors and improve productivity, the department is preparing to implement a computerized eligibility determination, benefit issuance and child support enforcement system.

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***"HRS' new statewide computer system will cost at least \$100 million, approximately 80 percent of which will be provided by the federal government."***

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The "Florida On-Line Recipient Integrated Data Access" (FLORIDA) system will be a statewide system to support the AFDC, Food Stamp, Medicaid, Project Independence and Child Support Enforcement programs. It will replace many of the old and inefficient systems currently used by the department.

The department is contracting with a private sector corporation to develop, implement, operate for three years and turn over to the state a federally certified system. *Costs are estimated in excess of \$100 million, of which approximately 80 percent will be paid by the federal government. The department contends that the FLORIDA system will save or avoid \$105 million by the end of the second year of operation.* These savings are anticipated to accrue through error rate reduction, staff cost avoidance and increased child support collections from absent parents.

The FLORIDA system will be the first in the nation that fully integrates all welfare and child support enforcement programs and meets the goals of the federal Family Support Act of 1988. It may well be a model that can be transferred to other large states.

## **Recommendations**

The Department of Health and Rehabilitative Services should require the following as it moves

through development and implementation of the FLORIDA system:

- The FLORIDA system should be used to improve coordination and communication among the department's major program offices through sharing of data and information.
- The components of the FLORIDA System should be structured so that a major problem or failure in one component does not render other parts of the system inoperable. This applies to both geographic and programmatic divisions.
- Non-technical program staff and other end users of the FLORIDA system should be involved throughout the entire process of development and implementation.
- By June 30, 1989 the department should develop incentives for future cost savings and disincentives/cost penalties to the vendor to amend the contract.
- The FLORIDA system should be used in part to monitor individual and group performance, and provide useful feedback on a frequent basis (i.e., at least monthly). Productivity data should travel both up and down the system.
- By January 1, 1990 the department should develop a meaningful plan to optimally use existing HRS computer systems valued at up to \$20 million (market value after depreciation) and evaluate the cost effectiveness of its full use.

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## **Initiative #12: Consolidate Microcomputer Purchases**

A 1987 Department of Health and Rehabilitative Services study showed that using a consolidated bid approach could have saved the department \$1.2 million in computer acquisition costs over a 20 month period. As a result of this study, *HRS purchased all microcomputers from a single departmental bid between October 1987 and December 1988, saving \$866,000.* Additional savings can accrue from consolidation of microcomputer related purchases such as printers, software and maintenance.

The department can take advantage of many additional benefits of consolidated purchases and standardization of equipment to yield measurable savings over time, including:

- Increased capability for sharing standardized computer accessories, reducing the need for duplicate acquisitions;
- Avoidance of time consuming re-inputting of information and cumbersome conversion processes due to software incompatibility;
- Less re-training when clerical and professional staff move between HRS offices due to uniformity of work stations;
- Improved confidence of users in a uniform, agency-wide approach to office automation; and
- Enhanced ability of HRS management systems staff to provide training and support to microcomputer users.

## **Recommendations**

- By January 1, 1990, the Department should conduct

an analysis and assessment to clearly delineate microcomputer needs and usage by clerical, professional and managerial employees.

- Effective January 1, 1990 any exception to the policy of consolidated purchasing of standardized microcomputers and accessories should require approval of the department's Deputy Secretary for Management Systems.
- The department's microcomputer bids should not be structured to limit procurement to a single vendor. Procurements should be made from state

contracts whenever possible in order to reduce time and take advantage of discounted prices.

- New microcomputer purchases should be compatible with the FLORIDA system, and be flexible enough to accommodate changes in technology to avoid short term obsolescence.
- The department should closely monitor all computer acquisitions through the information resource management approval process to ensure that standards are being met.

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### **Initiative #13: Co-locate Data Centers**

The Department of Health and Rehabilitative Services' computer operations are currently split between sites in Jacksonville and Tallahassee. *HRS estimates that consolidating and co-locating these two operations in Tallahassee with a third to be developed for the FLORIDA System would save \$1.8 million in operating costs during the first year.*

These savings are projected to be accomplished through overall improved availability of systems (\$1.4 million), more efficient utilization of staff (\$246,000), reduced line costs (\$30,000), reduced

travel (\$71,000), reductions in communications via mail and courier services (\$29,000) and SUNCOM telephone calls (\$41,000).

### **Recommendations**

- The Jacksonville Data Center should be moved to Tallahassee by July 1, 1989 to consolidate it with an existing center and a center for the new FLORIDA system.
- By June 1, 1989, the department should identify professional and clerical data center positions that can be transferred to other functions and programs as a result of efficiencies and better utilization of staff.

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### **Initiative #14: Establish An Agency-wide Computer Assistance Desk**

The mission of HRS is service to its clients, to other organizations and to Florida's citizens. This requires processing vast amounts of information ranging from preparing elaborate reports to obtaining funding for HRS services, to tracking individual clients whose lives may be in immediate danger.

Modern computer systems can help HRS provide the right information to the right person at the right time. These systems, however, are only as good as the support that the department's computer experts in the Office of Management Systems provide to field staff.

The department receives approximately 100,000 calls each year requesting assistance relating to its computer information systems. Because callers and HRS staff often do not know who has the necessary information and expertise to respond, the department estimates that 50 percent of these calls initially go to the wrong person. Repetitive calls waste the time of callers and workers who could otherwise have more time for direct contact with clients.

Benefits of help desks to government organizations are well established. Both the Florida Legislature and the State University System make extensive use of them.

The department states that equipment and training needed to implement this system would cost \$70,000 over a two year period.

## Recommendations

- The department should establish a computer assistance desk by January 1, 1990 to provide a single point of contact for computer users.
- The desk should be staffed by qualified personnel provided through add/delete of appropriate posi-

tions in conjunction with consolidation of the Jacksonville and Tallahassee data centers (see previous initiative) who can resolve callers' problems immediately or within a short time.

- All calls should be logged and tracked so that repetitive computer problems can be identified and resolved.

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### Initiative #15: Reduce Telecommunications Line Costs

HRS has over 67,000 miles of telephone lines to support its statewide data network of 6,500 terminals and printers. The current cost to operate the data network is \$125,000 per month. Telecommunications line rates are increasing due to deregulation from \$.70 per mile to as much as \$2.00 per mile. The estimated impact on the department as a result of these increases (based on the current data communications network) is an additional \$800,000 in FY 1990-91.

HRS is working with the Division of Communications, Department of General Services, to tie into a new SUNCOM statewide backbone network of high speed digital lines. The result will be a reduction to about 21,000 miles of long distance telecommunications lines as well as a more efficient system.

In order to take full advantage of this network and associated cost savings, HRS must reconfigure its

existing data communications network to conform with the boundaries prescribed for each telephone company in Florida. This reconfiguration will cost about \$750,000. The department estimates that cost avoidance of \$60,000/month can be achieved from reconfiguring the network; thus, almost recouping this investment within the first 12 months. This is based on current line costs and does not take into consideration future increases from \$.70 to as much as \$2.00 per mile.

### Recommendation

- The department should reconfigure its data communications network to take advantage of improved service, reliability and cost avoidance provided by the state's SUNCOM network. This work should be completed before the Jacksonville and Tallahassee data centers are consolidated, or as part of the final plan to transfer over. (See Initiative 13).

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### Initiative #16: Decentralize Report Printing

Currently, all HRS user reports are generated from computer systems located at the Jacksonville Data Center. They are printed at the data center, sorted manually, then distributed to the Tallahassee Central Office and the eleven district offices. This process causes delays of up to a week, often resulting in client benefit eligibility errors that are subject to federal funding penalties levied on programs that do not adhere to established time regulations.

*Federal sanctions on HRS programs vary from delaying payments to forfeiture of millions of dollars in federal funds. Most of the sanctions are based on time frames for completing the next case action. Without*

timely reports, these actions are difficult to complete within the federally mandated requirements.

The department proposes to decentralize report printing to the eleven district offices. This would allow local offices within each district to receive reports within 24 hours of production.

### Recommendation

- By January 1, 1990, the department should have a plan ready to decentralize to its eleven districts the printing of reports containing time sensitive information that can affect the receipt of federal benefits, using technology being developed under the FLORIDA system.

# Improving Contracting and Management Operations



*Several of the contracting and management issues examined by the subcommittee relate to the Department of Health and Rehabilitative Services as a whole, plus other selected state agencies.*

*For instance, a uniform system should be designed to improve effectiveness and efficiency in all departmental contracting. Residential care rates should be standardized. Pharmaceuticals should be purchased through a prime vendor.*

*Project Independence can also be enhanced by delegating approval of contracts for employment training, on-the-job training and counseling from the Department of General Services to HRS. A salary reimbursement incentive should be offered to state agencies that agree to hire Project Independence trainees.*

## **Initiative #17: Implement A Uniform Contract Management System**

Contracting by the Department of Health and Rehabilitative Services has increased substantially over the last eight years. In 1981, contractors provided approximately \$125 million worth of services. In 1989, well over \$900 million worth of HRS business will be let. This represents an increase from 12.5 percent (1981) to 20.2 percent (1989) of HRS's total budget.

The department's contract management system has

not kept pace with this growth. A uniform system should be implemented to improve the effectiveness and efficiency of contracting. The department has already developed a standard model contract and rate agreement containing generic clauses (required by state and federal laws and regulations) that are supposed to be used by all programs.

In addition to phasing in performance-based contracting over the next two years, the department is working to develop uniform cost standards governing expenditure of General Revenue funds based on principles established by the U.S. Office of Management and Budget.

## Recommendations

- By January 1, 1991, the Department should complete its conversion to performance based contracting, with outcome measures for each contract.
- By July 1, 1991, the department should implement procedures for gathering and analyzing costs and performance levels based on units of service. These should include standard definitions of services and units for all HRS Program Offices,

total cost identification, cost recording by program activity (cost allocation) and uniform methods to compute the unit cost of a service. This is to ensure that HRS makes great cost effective use of outside contractors and vendors.

- By January 1, 1992 the department should implement a uniform system – including public accountability and productivity measures – to improve the effective and efficient management of more than \$1 billion worth of annual contracts.

### **Initiative #18: Establish A Uniform Rate System For Residential Care**

The Department of Health and Rehabilitative Services acknowledges that rates for residential care are not uniformly set, and program reimbursement and service definitions vary enormously between and within its programs. Data on actual expenditures is not collected consistently or uniformly.

The department has attempted without success to develop a comprehensive rate system. A more limited system, covering major costs (i.e., personnel, food and utilities), reported by contractors in a more uniform manner may be more feasible.

The recommendations below would enable the department to determine the actual cost of residential services, the equitability of established rates and whether or not HRS is receiving the most for its money.

### **Recommendations**

- By January 1, 1990, the Department of Health and

Rehabilitative Services should develop a system to standardize service definitions across program lines. This will provide a uniform basis for setting residential care rates and facilitate comparisons between programs.

- By July 1, 1990 the department should implement a system for uniform collection and analysis of cost information. This will provide a data base for determining, during contract negotiations, whether or not the provider's costs are reasonable.
- By October 1, 1990, minimum standards should be in place for specific expenditures (e.g., a rate per person per day for food to ensure provision of minimum daily nutritional requirements). This will be a valuable aid in setting equitable rates across HRS programs.
- In developing these standards, the department should seek assistance from private enterprise (particularly the entertainment industry) that have reliable rate data and systems.
- The department's rate system should include cost differentials to reflect regional differences in labor and other costs.

### **Initiative #19: Purchase Pharmaceuticals Through A Prime Vendor**

Currently, Department of Health and Rehabilitative Services facilities order pharmaceuticals from a multitude of vendors. While some pharmaceuticals are on state contract, others must be

purchased on the open market. HRS facilities maintain their own inventories, utilization and cost data, and each is individually responsible for returning unused pharmaceuticals. Every purchase order and return requires separate paperwork, driving up administrative costs. *Currently, many unused drugs are destroyed rather than returned.*

Contracting with a single wholesaler ("prime vendor") to provide all pharmaceuticals includes the following services:

- Computerized ordering system;
- Centralized procurement, storage and distribution of pharmaceutical products to all HRS facilities;
- Maximum three day lag time for drug delivery to each facility;
- Provision of pharmaceuticals at or below the state contract bid;
- Reduction of dollar loss from drug returns, expired drugs in inventory and drugs purchased on the open market;
- Reduction of administrative staff time required to process orders, shipments and accounts payable; and
- Management reports on drug utilization and cost data by facility.

Savings are garnered through lower price drugs (volume purchasing), through staff time and paper-work reduction, and through reduction of inventory maintenance and control.

The department estimates a \$1.8 million annual savings on pharmaceuticals by using a prime vendor system.

## Recommendations

- By December 1, 1989 the Department of General Services, working with the Department of Health and Rehabilitative Services and other affected state agencies, should negotiate a two year contract with a prime vendor to supply pharmaceuticals at the lowest usual and customary price, not to exceed the state contract price.
- The contract should contain a renewal option if agreed upon by both parties.
- The contract should cover county public health units, community mental health centers, HRS institutions and other state agencies that use pharmaceuticals – such as the Department of Corrections.
- Drug inventories (currently four to six weeks) should be reduced at least 50 percent no later than March 1, 1990.
- Other HRS program offices and other state agencies purchasing pharmaceuticals should be required to participate in the prime vendor program via a Department of General Services term contract effective on or before January 1, 1990.

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### **Initiative #20: Authorize An Incentive For State Agencies To Hire Project Independence Trainees**

The Florida Employment Opportunity Act and the federal Job Training Partnership Act feature two major benefits: State agency employers receive reimbursement for part of an employee's salary while they help to remove public assistance recipients from the welfare rolls.

However, this reimbursement currently must be deposited to the state General Revenue Fund, removing an agency's monetary incentive to participate in the program. Authorizing state agencies to request budget authority and release of funds in the amount reimbursed can provide that incentive.

The Sunland Center in Gainesville estimated its potential reimbursement under the Job Training

Partnership Act for 1986-87 at \$52,000. Had this legislation been in effect, this amount would have been available to offset about 3.6 percent of the center's salaries.

### **Recommendation**

- The 1989 Legislature should amend the Florida Employment Opportunity Act (Section 409.029, Florida Statutes) to authorize the Executive Office of the Governor to establish budget authority and release funds equivalent to the revenue state agencies receive for employing participants in Project Independence programs.

## **Initiative #21: Delegate Approval For Purchase of Selected Training and Support Services Under Project Independence**

Aggressive efforts by local HRS workers and managers are required to recruit employers who are willing to hire Project Independence trainees. Competitive bidding for employment training, on-the-job training and support services such as child care is not always practical to assure employment within a meaningful time frame.

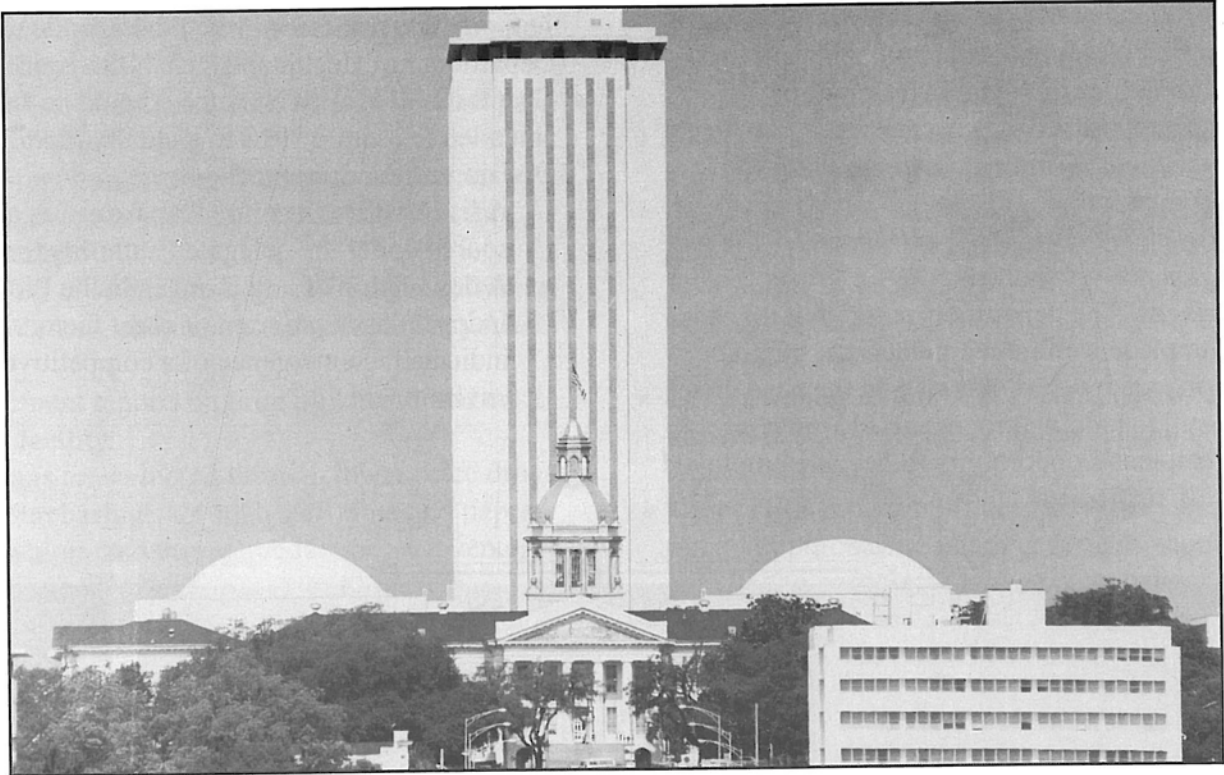
*Employers who train HRS clients under Project Independence are reimbursed cash for 50 percent of workers' wages.* The department states that it needs to be able to place welfare recipients into training programs offered by employers when the need arises. The competitive bidding process acts to delay or deny the recipient's opportunity to become employed and gain self-sufficiency.

## **Recommendations**

- The 1989 Legislature should amend Chapter 287, Florida Statutes, to provide that the state Division of Purchasing delegate authority for approval of single source purchases of selected training and support services under Project Independence to the Department of Health and Rehabilitative Services.
- Chapter 287, Florida Statutes, should be further amended to require HRS to annually report to the Division of Purchasing:
  - A listing of each contract approved as a single source under the delegated authority; and
  - A description of any changes in the Project Independence program or other factors which indicate the emergence of a competitive environment.



# Productivity Improvements For All State Agencies



*Management and efficiency can be improved in both the Department of Health and Rehabilitative Services and throughout state government by taking a series of administrative and legislative actions to revise selected policies and practices.*

*These include changes in the areas of real property leasing; bid protesting; purchasing of state surplus property; eliminating duplicate reports; and authorizing expenditure of limited funds to publicize state agency programs.*

## **Initiative #22: Streamline Rules For Real Property Leasing**

There are several problems with current rules and procedures for real property leasing:

- Rule 13-M, Florida Administrative Code, requires state agencies to prove that existing (but sometimes higher cost) office space is not available before potentially more competitively priced new space can be offered through “turn key” lease construction. For example, in 1986 the Department of Health and

*Rehabilitative Services negotiated a ten year lease for office space in Tallahassee (market) valued at \$23 million. This lease will cost the state \$33 million.*

- The present 21-day limit for one-time special use space without the requirement for a lease does not provide sufficient time to meet some special use space requirements.
- There is no provision for emergency procurement of space.
- Certification of compliance for leases under 2,000 square feet must be approved by the agency head, increasing the time required to execute leases.

**Recommendations**

- The Department of General Services should amend Chapter 13-M, Florida Administrative Code, to allow turnkey lease construction to compete with existing space to house state workers.

The 1989 Legislature should amend Chapter 255, Florida Statutes, to streamline state leasing procedures as follows:

- Increase the authorized period for one-time special use of storage or office space without requiring a lease from 21 to 120 days. Short-term leases are sometimes needed to store furniture and equipment or hold classes which are longer than 21 days duration. At present, if space is needed for more than 21 days, a lease procedure taking about two

months to complete must be followed.

- Permit negotiated leases in emergencies necessitated by circumstances such as replacing space in a burned building or a building where a health hazard has been identified, or as a result of legal action.
- Provide for review and approval of the technical sufficiency of leases less than 2,000 square feet by the Division of Facilities Management (Department of General Services).
- Permit delegation of authority from agency heads to Facilities Service Managers to certify compliance with leasing criteria for leases of less than 2000 square feet, thereby freeing top management from this routine function.

**Initiative #23:  
Require Vendors To Post A Bond  
At The Time Of Filing A Bid Protest**

State agencies routinely encounter frivolous bid protests from disgruntled bidders who were not awarded a given contract. State law (except Sections 287.042(2) and 337.11, Florida Statutes, which pertain, respectively, to the state Division of Purchasing and selected Department of Transportation contracts) does not provide a mechanism to deter or prevent frivolous protests.

Once a bid protest is filed, the procurement process is halted except under emergency situations. An emergency situation exists only if there is immediate and serious danger to the public's health, safety or welfare. However, such delays can and have created significant work problems and added costs to state agencies.

*Recently, a six-month delay associated with an unsuccessful and questionable bid protest cost the HRS Medicaid program \$1.8 million. This occurred*

because an existing contract, which was higher than the successful bidder's rate, had to be extended.

**Recommendations**

- State agencies (or the Department of General Services on their behalf) should be authorized to require vendors protesting a solicitation or contract award to post a bond or good faith check equal to any bid/proposal bond or one percent of the lowest bid if publicly known at the time of the protest, whichever is greater. This should not interfere with the right of anyone to file a protest.
- If the agency subsequently prevails in an administrative hearing or appellate court review, the agency should be awarded all reasonable costs involved in the proceeding, including attorney's fees.
- If a hearing officer finds that the protest is frivolous or without merit, the entire amount of the bond or good faith check should be forfeited to the agency with no additional costs due from the protesting person.

**Initiative #24: Authorize Receipt And  
Expenditure Of Fixed Capital Outlay Funds  
For Repair And Renovation Of State Facilities**

The federal government and other state agencies

sometimes provide funding for fixed capital outlay projects after the Florida Legislature has completed its annual General Session. Under state law, there must be an appropriation before fixed capital outlay funds can be

used. Thus, these funds cannot be used by a state agency until the following year's Appropriations Act has been enacted.

*The current process for authorizing spending of capital outlay funds can result in delays of one year or more on selected projects.* For example, the Department of Health and Rehabilitative Services received a grant from the Governor's Energy Office for 1988-89 but did not have budget authority to spend the funds because the award was made after the 1988 Legislature adjourned.

Considerable time was spent by the Executive Office of the Governor, the State Comptroller's Office, the House and Senate Appropriations Committee staff and the department to identify a legally appropriate method to use these funds during FY 1988-89.

Although a solution was identified for this specific situation, one may not be available for future grants from the federal government or other state agencies. Absent an interim process to establish budget authority, the funds will sit idly until after the following legislative session.

### Recommendation

- The 1989 Legislature should authorize the Administration Commission (Governor and Cabinet) after consultation with the Senate and House Appropriations Committees, to approve receipt and expenditure of fixed capital outlay funds for repair and renovation of state facilities that are received from the federal government or another state agency during the legislative interim.

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### Initiative #25: Eliminate Unnecessary Reports

State agencies are required to submit the following reports to the State Treasurer, the Comptroller, the Executive Office of the Governor, the Auditor General or legislative committees:

- Cash balances in revolving funds and clearing accounts. Section 18.101(4), Florida Statutes, prescribes that this report must be made quarterly.
- Out-of-state travel. Section 112.061(3)(e), Florida Statutes, requires each agency to file an annual report of all meetings, conferences and conventions attended at public expense outside the state.
- Membership dues. Section 216.345(4), Florida Statutes, requires each agency to file an annual report of membership dues paid.

The following processes and controls reduce or eliminate the need for these reports:

- The State Treasurer has established a statewide Treasury demand account network. The purpose of this network is to provide an efficient and economical banking system for depositing revenues received by state agencies, thereby reducing the need for separate clearing accounts.
- The Office of the Comptroller reviews, pre-audits and approves expenditure of funds for organization membership dues.

- The State Automated Management Accounting System (SAMAS) provides information relating to membership dues and out-of-state travel expenditures. More detailed information can and should be requested on an as-needed basis rather than by periodic reports that are not cost beneficial.

*The State Comptroller suggested to the House Governmental Operations Committee during its January 1989 meeting that a thorough review of mandated reports be performed, focusing on whether the information could be provided by state agencies in a more cost effective manner.*

### Recommendations

- The 1989 Legislature should eliminate duplicate annual reporting of professional and organization membership dues expenditures and out-of-state travel reports.
- When implemented, state agencies should utilize the statewide treasury demand account network to reduce the need for filing reports on cash balances in clearing accounts.
- By March 1, 1990, the appropriate legislative committees, working with the Florida Comptroller, Executive Office of the Governor and other appropriate offices, should complete a review of other mandated reports to determine whether the required information can be provided in a more cost effective manner.

**Initiative #26:  
Increase The Allowable Limit  
For Purchase Of State Surplus  
Property With Expense Funds**

Chapter 216, Florida Statutes, requires that purchases of surplus property costing more than \$200 must be made from Operating Capital Outlay (OCO) funds. The definitions in Section 216.011, Florida Statutes, for OCO and Expense read as follows:

The term "operating capital outlay" refers to: equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature, the value or cost of which is \$200 or more and the normal expected life of which is one year or more.

The term "expense" refers to the usual, ordinary and incidental expenditures incurred by an agency including, but not limited to, such items as contractual services, commodities and supplies of a consumable nature, current obligations and fixed charges.

In practice, a state agency purchases new property or equipment with OCO funds, uses the property or equipment until it determines that the item is no longer needed within that organization, then offers it for re-sale as surplus property to other state and local

government agencies.

Because an agency cannot foresee what will be available in surplus property when its annual budget request is prepared, it is not possible to request and receive budget for such future expenditures in the OCO category. A budget amendment is required to move available expense funds to OCO for the purchase of surplus property costing more than \$200.

*Requiring state agencies to purchase surplus property over \$200 with operating capital outlay funds unnecessarily burdens the budget amendment process.* Moreover, by the time a budget amendment request is approved and processed, a surplus item may no longer be available. This can result in a more costly purchase for the same item.

**Recommendation**

- The 1989 Legislature should amend Section 216.011(1)(V), Florida Statutes, to allow agencies to purchase surplus property valued at less than \$500 with expense (non-operating capital outlay) funds. This would be consistent with the threshold for purchases of surplus property by local governments established by the 1988 Legislature.

**Initiative #27:  
Authorize Limited Purchase Of  
Materials To Promote State Programs  
and Services**

The Florida Comptroller's Office often denies state agencies' requests to purchase materials to advertise or promote various programs. For example, the Department of Health and Rehabilitative Services has requested purchases for red ribbons used to promote Drug Awareness Week; pins and banners for Project Independence; and promotional materials for the Better Living for Seniors single access telephone lines.

The issue arises because state law does not give express authority for such purchases. Thus, detailed justification is required with each voucher submitted. Initially, the Comptroller's Office denied the above

voucher requests. More recently, the department has sought prior approval for such expenditures. But the problem persists.

**Recommendation**

- The 1989 Legislature should authorize limited expenditures within existing authorized funds for promotional activities related to major state agency programs. The enabling language should contain specific provisos which would preclude use of such promotional material for self-aggrandizement. In addition, expenditures of this nature could be categorized according to the type of promotional vehicle to be employed, with not-to-exceed spending caps within each category. Such vehicles would include radio, television, billboards, newspaper and printed collateral.

# Summary of Recommendations

## Managing the Burden of Indigent Health Care

### **Initiative #1: Increase HMO-Medicaid Contracting**

- The Department of Health and Rehabilitative Services should increase enrollees in Medicaid managed health care systems for the delivery of services by at least 10 percent annually for each of the next three years.
- Additionally, the department should expand the capacity of existing pre-paid contracts to enroll additional medicaid eligible persons.

### **Initiative #2: Case Manage Medicaid Clients Through The Use Of Primary Care Physicians**

- By June 30, 1989 the Department of Health and Rehabilitative Services should submit a waiver request to the federal government to approve a primary care case management program in Florida.
- Within six months of approval of the waiver, the department should implement a Medicaid Physician Access System to provide primary care case management in at least two HRS districts, to potentially serve over 64,000 Aid To Families With

Dependent Children (AFDC) clients.

### **Initiative #3: Maximize Federal Participation In Case Management Services**

- By January 1, 1990 the Department of Health and Rehabilitative Services should amend the state Medicaid Plan to include case management services reimbursable under the Children's Medical Services; and Alcohol, Drug Abuse and Mental Health Programs.
- By June 30, 1991 Florida's Medicaid Program should establish a managed health care system for non-institutionalized Medicaid eligible persons who do not have special health problems.
- This system should include a "gatekeeper" for controlling the use of selected services, prepaid health plans, primary care case management systems, HRS county health units, primary care centers, recipient utilization management to curb overuse of care, and tagged case management services for children and high risk adults.
- Any case management fee paid to a gatekeeper should be structured to provide incentives for improved performance and cost savings.

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## Promoting Preventive Health Care

### **Initiative #4: Improve Coordination of Health Promotion And Chronic Disease Prevention Programs**

- By December 1, 1990 the Department of Health and Rehabilitative Services should have in place a system

that ensures maximum coordination of resources among all state government programs concerned with health prevention and health risk prevention.

- The department's health promotion and disease prevention services should focus on incentives to make individual lifestyle changes to reduce risk factors, and strong encouragement of medical professionals to incorporate health education into their patient care.

**Initiative #5:  
Strengthen Children's Health Programs**

- The department should strengthen its children's screening programs by *targeting high risk* children; increasing by at least ten percent annually over the next five years the number and type of screening procedures and sites (such as public schools and neighborhood clinics); and ensuring adequate follow-up.
- Screening of high-risk children for substance abuse and mental health problems should be added to the current regimen by July 1, 1990.
- The department should develop effective follow-up and case management measures to ensure that appropriate intervention is provided for children who are identified to be at a substantial risk of poor health and developmental outcomes.

- All of the department's Children's Medical Services offices should be Early and Periodic Screening, Diagnosis and Treatment program providers in order to maximize the availability of this much needed service.

**Initiative #6:  
Reduce Teenage Pregnancy**

- The Department of Health and Rehabilitative Services should:
  - Promote programs which encourage abstinence, delaying initiation of sexual activity and the burdens of teenage parenting;
  - Target teen pregnancy prevention programs to males as well as females; and
  - Allocate family planning dollars to HRS districts based in part on adolescent pregnancy rates and successful rate reduction efforts.

Promoting Self Sufficiency of  
Public Assistance Clients

**Initiative #7:  
Implement Community-based Services  
To Medically Complex  
Indigent Children**

The Department of Health and Rehabilitative Services should:

- Increase medical foster care and home care services to medically complex indigent children by at least ten percent annually over the next three years as part of a comprehensive indigent health care strategy.
- Pursue maximum federal participation for more than 1,100 Medicaid eligible indigent children with complex medical problems.
- Recruit foster parents and medical professionals with experience in caring for children with complex medical problems. Goal: To increase the number of medical foster care homes by at least ten percent annually over the next five years.

**Initiative #8:  
Assist the Developmentally Disabled  
Through Supported Employment**

- The Department of Health and Rehabilitative Services should double its five year goal of moving clients from day training programs to supported employment.
- The department should shift up to ten percent of budget dollars from supporting day training programs to supported employment programs annually during each of the next five years.
- Federal Job Training Partnership Act (JTPA) monies should be used to train and place people with developmental disabilities and long-term mental illness.
- Up to 10 percent of the department's adult day training program contracts should be modified annually during each of the next five years to require emphasis on supported employment. Exceptions

should be made for elderly clients and other clients for whom supported work is not appropriate.

- Beginning July 1, 1989, the department should systematically collect data to evaluate the cost effectiveness and benefits of supported employment strategy.
- No later than January 1, 1990, the Department should ensure that adequate technical assistance is available to service vendors who anticipate major organizational disruption as they restructure their resources to provide community-based services and competitive employment outcomes.
- By February 1, 1990, the appropriate legislative committee should conduct an interim review of the supported employment program to determine whether any unnecessary overlap and duplication of functions exist in services performed by the Departments of Health and Rehabilitative Services, and Labor and Employment Security.

**Initiative #9:  
Enhance Project Independence**

- The Department of Health and Rehabilitative Services should maximize federal resources available to states under the Family Support Act of 1988. This includes enhanced funding for child care services that target AFDC parents for a federal/state matching ratio of 55-to-45 percent.
- The department should require teen parents to stay in school or in vocational/technical training as a condition for receiving job training and employment assistance from Project Independence.
- The department should require unemployed parents not living with children who receive AFDC benefits to participate in job training and employment assistance under Project Independence.
- Increasing job retention from 30 days (which is currently achieved in 86 percent of placements) to at least 90 days should be a department performance standard by January 1, 1990.
- The linkage between the Department of Education's pre-kindergarten day care program for children of the economically disadvantaged and Project Independence

dence should be strengthened by

- Ensuring that the same eligibility of determination requirements are used in both the pre-kindergarten and HRS programs;
- Maximizing federal dollars from the Welfare Reform Act;
- Providing freedom of choice by parents as to where their children go to pre-kindergarten day care; and
- Assuring that children are provided for after school hours.
- The department should increase its efforts to market and demonstrate the benefits of Project Independence to Florida businesses and citizens by at least 15 percent annually during each of the next three years.

**Initiative #10:  
Increase Child Support Collections**

The Department of Health and Rehabilitative Services should:

- Promote the passage of state legislation needed to implement provisions of the federal Family Support Act of 1988 dealing with time standards for enforcing child support orders; and use of state labor data and state vital statistics to locate absent parents.
- Continue to promote a closer working relationship between Florida's Aid to Families with Dependent Children and Child Support Enforcement programs by:
  - *Co-locating* child support enforcement and AFDC staff;
  - *Interviewing clients* for child support enforcement and AFDC simultaneously; and
  - *Enhancing the employability* of parents not living with their children through referrals to Project Independence.
- Increase the use of effective child support enforcement tools such as credit reporting agencies, IRS Refund Intercept, Unemployment Compensation Benefit Intercept, income deductions and liens by at least 20 percent annually over the next three years.
- Automate the Child Support Enforcement program through the new FLORIDA computer system not later than December 31, 1991.

# Upgrading Management Information Systems

## **Initiative #11: Consolidate Data Management Systems**

The Department of Health and Rehabilitative Services should require the following as it moves through development and implementation of the FLORIDA system:

- The FLORIDA system should be used to improve coordination and communication among the department's major program offices through sharing of data and information.
- The components of the FLORIDA System should be structured so that a major problem or failure in one component does not render other parts of the system inoperable. This applies to both geographic and programmatic divisions.
- Non-technical program staff and other end users of the FLORIDA system should be involved throughout the entire process of development and implementation.
- By June 30, 1989 the department should develop incentives for future cost savings and disincentives/cost penalties to the vendor to amend the contract.
- The FLORIDA system should be used in part to monitor individual and group performance, and provide useful feedback on a frequent basis (i.e., at least monthly). Productivity data should travel both up and down the system.
- By January 1, 1990 the department should develop a meaningful plan to optimally use existing HRS computer systems valued at up to \$20 million (market value after depreciation) and evaluate the cost effectiveness of its full use.

## **Initiative #12: Consolidate Microcomputer Purchases**

- By January 1, 1990, the Department of Health and Rehabilitative Services should conduct an analysis and assessment to clearly delineate microcomputer needs and usage by clerical, professional and managerial employees.

- Effective January 1, 1990 any exception to the policy of consolidated purchasing of standardized microcomputers and accessories should require approval of the department's Deputy Secretary for Management Systems.
- The department's microcomputer bids should not be structured to limit procurement to a single vendor. Procurements should be made from state contracts whenever possible in order to reduce procurement time and take advantage of discounted prices.
- New microcomputer purchases should be compatible with the FLORIDA system, and be flexible enough to accommodate changes in technology to avoid short term obsolescence.
- The department should closely monitor all computer acquisitions through the information resource management approval process to ensure that standards are being met.

## **Initiative #13: Co-locate Data Centers**

- The Department of Health and Rehabilitative Services' Jacksonville Data Center should be moved to Tallahassee by July 1, 1989 to consolidate it with an existing center and a center for the new FLORIDA system.
- By June 1, 1989, the department should identify professional and clerical data center positions that can be transferred to other functions and programs as a result of efficiencies and better utilization of staff.

## **Initiative #14: Establish An Agency-wide Computer Assistance Desk**

- The Department of Health and Rehabilitative Services should establish a computer assistance desk by January 1, 1990 to provide a single point of contact for computer users.
- The desk should be staffed by qualified personnel provided through add/delete of appropriate positions

in conjunction with consolidation of the Jacksonville and Tallahassee data centers (see previous initiative) who can resolve callers' problems immediately or within a short time.

- All calls should be logged and tracked so that repetitive computer problems can be identified and resolved.

### **Initiative #15: Reduce Telecommunications Line Costs**

- The Department of Health and Rehabilitative Services should reconfigure its data communications network to take advantage of improved

service, reliability and cost avoidance provided by the state's SUNCOM network. This work should be completed before the Jacksonville and Tallahassee data centers are consolidated, or as part of the final plan to transfer over. (See Initiative #13)

### **Initiative #16: Decentralize Report Printing**

- By January 1, 1990, the department should have a plan ready to decentralize to its eleven districts the printing of reports containing time sensitive information that can affect the receipt of federal benefits, using technology being developed under the FLORIDA system.

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## Improving Contracting and Management Operations

### **Initiative #17: Implement A Uniform Contract Management System**

- By January 1, 1991, the Department of Health and Rehabilitative Services should complete its conversion to performance based contracting, with outcome measures for each contract.
- By July 1, 1991, the department should implement procedures for gathering and analyzing costs and performance levels based on units of service. These should include standard definitions of services and units for all HRS Program Offices, total cost identification, cost recording by program activity (cost allocation) and uniform methods to compute the unit cost of a service. This is to ensure that HRS makes great cost effective use of outside contractors and vendors.
- By January 1, 1992 the department should implement a uniform system – including public accountability and productivity measures – to improve the effective and efficient management of more than \$1 billion worth of annual contracts.

### **Initiative #18: Establish A Uniform Rate System For Residential Care**

- By January 1, 1990, the Department of Health and Rehabilitative Services should develop a system to standardize service definitions across program lines. This will provide a uniform basis for setting residential care rates and facilitate comparisons between programs.
- By July 1, 1990 the department should implement a system for uniform collection and analysis of cost information. This will provide a data base for determining, during contract negotiations, whether or not the provider's costs are reasonable.
- By October 1, 1990, minimum standards should be in place for specific expenditures (e.g., a rate per person per day for food to ensure provision of minimum daily nutritional requirements). This will be a valuable aid in setting equitable rates across HRS programs.
- In developing these standards, the department

should seek assistance from private enterprise (particularly the entertainment industry) that have reliable rate data and systems.

- The department's rate system should include cost differentials to reflect regional differences in labor and other costs.

**Initiative #19:  
Purchase Pharmaceuticals Through A  
Prime Vendor**

- By December 1, 1989 the Department of General Services, working with the Department of Health and Rehabilitative Services and other affected state agencies, should negotiate a two year contract with a prime vendor to supply pharmaceuticals at the lowest usual and customary price, not to exceed the state contract price.
- The contract should contain a renewal option if agreed upon by both parties.
- The contract should cover county public health units, community mental health centers, HRS institutions and other state agencies that use pharmaceuticals - such as the Department of Corrections.
- Drug inventories (currently four to six weeks) should be reduced at least 50 percent no later than March 1, 1990.
- Other HRS program offices and other state agencies purchasing pharmaceuticals should be required to participate in the prime vendor program via a Department of General Services term contract effective on or before January 1, 1990.

**Initiative #20:  
Authorize An Incentive For  
State Agencies To Hire  
Project Independence Trainees**

- The 1989 Legislature should amend the Florida Employment Opportunity Act (Section 409.029, Florida Statutes) to authorize the Executive Office of the Governor to establish budget authority and release funds equivalent to the revenue state agencies receive for employing participants in Project Independence programs.

**Initiative #21:  
Delegate Approval For Purchase Of  
Selected Training And Support Services  
Under Project Independence**

- The 1989 Legislature should amend Chapter 287, Florida Statutes, to provide that the state Division of Purchasing delegate authority for approval of single source purchases of selected training and support services under Project Independence to the Department of Health and Rehabilitative Services.
- Chapter 287, Florida Statutes, should further be amended to require HRS to annually report to the Division of Purchasing:
  - A listing of each contract approved as a single source under the delegated authority; and
  - A description of any changes in the Project Independence program or other factors which indicate the emergence of a competitive environment.

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## Productivity Improvements For All State Agencies

**Initiative #22:  
Streamline Rules For  
Real Property Leasing**

- The Department of General Services should amend Chapter 13-M, Florida Administrative Code, to allow turnkey lease construction to compete with existing space to house state workers.

The 1989 Legislature should amend Chapter 255, Florida Statutes, to streamline state leasing procedures as follows:

- Increase the authorized period for one time special use of storage or office space without requiring a lease from 21 to 120 days. Short term leases are sometimes needed to store furniture and equipment or hold classes which are longer than 21 days

duration. At present, if space is needed for more than 21 days, a lease procedure taking about two months to complete must be followed.

- Permit negotiated leases in *emergencies* necessitated by circumstances such as replacing space in a burned building or a building where a health hazard has been identified, or as a result of legal action.
- Provide for review and approval of the technical sufficiency of leases less than 2,000 square feet by the Division of Facilities Management (Department of General Services).
- Permit delegation of authority from the agency heads to Facilities Service Managers to certify compliance with leasing criteria for leases less than 2000 square feet, thereby freeing top management from this routine function.

**Initiative #23:  
Require Vendors To Post A Bond At The Time Of Filing A Bid Protest**

- State agencies (or the Department of General Services on their behalf) should be authorized to require vendors protesting a solicitation or contract award to post a bond or good faith check equal to any bid/proposal bond or one percent of the lowest bid if publicly known at the time of the protest, whichever is greater. This should not interfere with the right of anyone to file a protest.
- If the agency subsequently prevails in an administrative hearing or appellate court review, the agency should be awarded all reasonable costs involved in the proceeding, including attorney's fees.
- If a hearing officer finds that the protest is frivolous or without merit, the entire amount of the bond or good faith check should be forfeited to the agency with no additional costs due from the protesting person.

**Initiative #24:  
Authorize Receipt And Expenditure Of Fixed Capital Outlay Funds For Repair And Renovation Of State Facilities**

- The 1989 Legislature should authorize the Administration Commission (Governor and Cabinet) after consultation with the Senate and House Appropriations Committees, to approve receipt and expenditure of fixed capital outlay funds for repair and renovation of state facilities that are received from the federal government or another state agency during the legislative interim.

**Initiative #25:  
Eliminate Unnecessary Reports**

- The 1989 Legislature should eliminate duplicate annual reporting of professional and organization membership dues expenditures and out-of-state travel reports.
- When implemented, all state agencies should utilize the statewide treasury demand account network to reduce the need for filing reports on cash balances in clearing accounts.
- By March 1, 1990, the appropriate legislative committees, working with the Florida Comptroller, Executive Office of the Governor and other appropriate offices, should complete a review of other mandated reports to determine whether the required information can be provided in a more cost effective manner.

**Initiative #26:  
Increase the Allowable Limit For Purchase of State Surplus Property With Expense Funds**

- The 1989 Legislature should amend Section 216.011(1)(V), Florida Statutes, to allow agencies to purchase surplus property valued at less than \$500 with expense (non-operating capital outlay) funds. This would be consistent with the threshold for purchases of surplus property by local governments established by the 1988 Legislature.

**Initiative #27:  
Authorize Limited Purchase Of Materials To Promote State Programs and Services**

- The 1989 Legislature should authorize limited expenditures within existing authorized funds for promotional activities related to major state agency initiatives. The enabling language should contain specific provisos which would preclude use of such promotional material for self-aggrandizement. In addition, expenditures of this nature could be categorized according to the type of promotional vehicle to be employed, with not-to-exceed spending caps within each category. Such vehicles would include radio, television, billboards, newspaper and printed collateral.

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