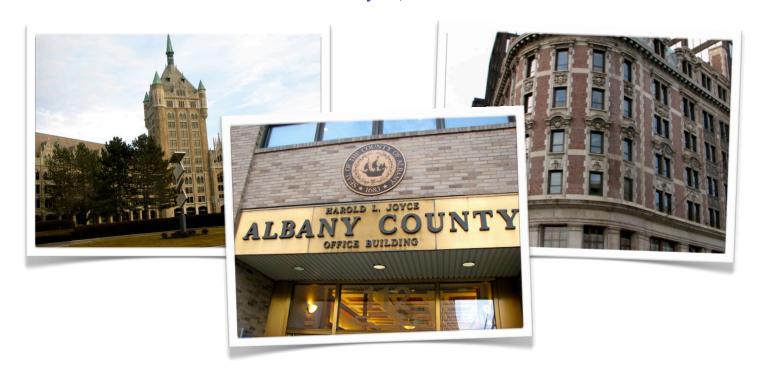


# IMPROVING THE BUSINESS OF

# **ALBANY COUNTY**

## MCCOY 2012 TRANSITION TEAM REPORT

February 22, 2012



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## Message from the McCoy 2012 Transition Team Executive Committee:

Recognizing the value to be gained through engagement of community leaders in addressing challenges facing the County, shortly after his election as County Executive, Dan McCoy appointed a transition committee. The work of the group was divided into subcommittees who reported their findings to incoming staff and, after February 1, the County Executive's Office. Work of the subcommittees also was reviewed by the Executive Committee appointed by McCoy. (See Appendix A for listing of subcommittees and their members).

Importantly, following thorough analysis, those who served on the committees recognized that there are no easy answers. Existing government structures, rules and mandates have evolved over decades. While there are near term steps that can be taken to improve county government and the execution of its duties, meaningful change must be considered in the context of a longer horizon and demands broad recognition from interested parties that business as usual is unsustainable.

Intentionally free from the constraints of fully developing implementation strategies, the transition subcommittees presented a range of recommendations for the County Executive's consideration. Their recommendations addressed every day management issues as well as much bigger picture items. Because there was recognition that effective responses to long standing challenges are neither easily defined nor implemented, many of recommendations require additional study.

Members of the transition committees have offered to provide ongoing counsel as the McCoy Administration moves toward implementation of new and improved government practices. It will take shared commitment and a willingness to embrace change to improve county government efficiency, better coordinate services and functions and strengthen both the fiscal outlook of the County government and our local economy. That is the shared desire of all of those who served on the transition committees and the process indicated that working together it can be achieved. Working together, we can improve the business of Albany County.

## **Executive Committee Priority Recommendations**

## Outdated nursing home with low occupancy

Albany County's population is getting older, with approximately 45,000 seniors currently residing in the county. Many of these seniors are struggling to stay in their homes with skyrocketing property taxes and limited access to home and community based support services. While this is occurring, Albany County is currently focusing what resources it can afford on the nursing home, which serves, approximately, only 200 of the county's senior population. This disparity of numbers---200 vs. 45,000---suggests that a different approach is needed.

The marketplace is changing with seniors in Albany County – and across the country – seeking services and supports to allow them to remain in the community longer, preventing or delaying their need for nursing home placement. Those seeking residential settings are choosing assisted living facilities, retirement communities or smaller cottage style nursing homes. Albany County currently has limited access to these services for low income populations.

The federal and state governments are implementing health care reforms at an aggressive pace. The federal government is investing in Health Homes and Accountable Care Organizations to better manage the care of Medicare and Medicaid recipients. The state government is moving away from providing Medicaid services on a fee-for-service basis, transitioning instead to a Medicaid managed care payment system. In the very near future, managed care plans will be contracting with providers across the continuum to serve their enrollees. Albany County-run health services are not well suited to thrive in this new managed care environment.

The Albany County Nursing Home is an aging physical plant and an outdated model of skilled nursing care. The home was built to accommodate 400 residents but is currently licensed to serve 250, leaving two full wings vacant. The current census is approximately 220 residents. The now-closed Ann Lee Nursing Home continues to be staffed, maintained and heated to accommodate the housing of voting machines.

Clearly, given the current physical state of the nursing facility, the county's limited resources have not been utilized to maintain the facility to a quality standard. A visit to the facility reveals an aging physical plant with a host of repairs and maintenance projects that have been ignored. The vacant wings are littered with furniture and durable medical equipment collecting dust. The facility does not reflect the culture change initiatives that many nursing homes are embracing to offer residents a more home-like setting. This is not a facility in which seniors want to live or in which employees should have to work. Any new facility could be expected to suffer the same ill fate if the county remains uncommitted or unable to allocate the necessary resources for the long term maintenance needs of a quality nursing home.

*Alternatives:* Potential alternatives to continued operation of the nursing home:

- Assisting the residents to relocate into other nursing homes or residential settings in the surrounding area that are better equipped to meet their needs.
- Pursuing the sale of the nursing home beds to a private-sector long term care provider.
- Building a smaller, more modern facility, but only if there is a true commitment to allocate needed resources to maintain it physically, and to provide those services to its residents that represent today's (and future) highest standards of care.

Similar to the Departments of Health and Mental Health's transition away from providing direct care, Albany County should pursue opportunities to partner with the private sector to provide skilled nursing services to its residents. This does not represent abandonment of the current nursing home residents, but rather represents the county's acknowledgement that all seniors in the county deserve access to the best quality care possible in a well-maintained, modern, home-like setting.

Excluding the county home, Albany County is home to 11 nursing homes, 13 adult care facilities, numerous home care agencies and a Neighborhood Naturally Occurring Retirement Community. Exiting the direct care market would allow Albany County to better utilize its resources to provide access to quality home and community based services to Albany County's aging population. County resources could be invested in support programs like home delivered meals, home care, personal care and other community supports that allow seniors to remain in their homes and in the community. Frail elderly residents needing nursing home care can be assisted to find many quality providers in the area.

Given the Committee's assessment and knowledge of the long term care outlook, as well as the economic realities facing the county, the Committee cautions against rebuilding any county-run nursing home facility. Instead, the county should pursue investments in a full continuum of care services to assist all senior residents of the county to remain in their homes for as long as possible.

**Recommendation:** Albany County should find a new secure location for the voting machines, permanently shutter the Ann Lee Home and sell the estimated 70 acres of land to private developers.

**Recommendation:** Since we conclude that the care provided to its residents is not supportable, Albany County should close the Albany County Nursing Home and assist patients currently residing at home in finding alternative options for long term care. As part of this undertaking, a careful process for the placement of nursing home staff must be developed and implemented.

**Recommendation:** Exiting the direct care market would allow Albany County to better utilize its resources to provide access to quality home and community based services to the 45,000 seniors living in Albany County. County resources could be invested in

support programs, including home delivered meals, home care, personal care and other community supports that allow seniors to remain in their homes and communities. Once vacant, the land can be contemplated for lease, sale or development by the County.

## Establish the Albany County Local Development Corporation

Albany County can reassert its role as a facilitator of economic development through the creation of a Local Development Corporation (LDC). The debt that these entities issue, even if for the benefit of a local government, is not subject to the limits on debt established for most municipalities in the New York State Constitution. This allows greater flexibility in fostering economic growth since the entity is not burdened by the sclerotic pace and narrowly tailored approach that municipalities are and therefore has the responsiveness to assist fledgling firms at a pace their business demands.

Given that the County has had no appreciable activity in the economic development arena over the past decade plus, the municipalities within its borders have developed a sophisticated, but disjointed, set of proprietary organizations. Maintaining respect for community and municipal partners is therefore important, as the County should not seek to co-opt or undermine the work and progress that has been made by the municipalities. At the same time, action is indeed needed to assist firms interested in multiple locations within the County by providing a centralized contact point and eliminating redundancies. The County should seek, as an initial goal, to serve as the point of entry for the County, marketing the region and making known the inventory of properties, partners and capital that can be available or committed to projects. Surrounding counties, especially Saratoga with SEDC and Schenectady, through the Metroplex, have a single point of contact for firms looking to move in and those existing firms looking to grow.

This asset could be used in conjunction with a concerted effort to work with the numerous institutions of higher education prevent "brain drain" by losing promising graduates to elsewhere in the state and country. Initiatives like this have already proven effective throughout the state and the creation of an LDC will further enhance such efforts. Working with strong and established community partners, including

Given concerns about the operations of quasi-governmental entities in recent years, as the LDC is established, its governance structure and rules of conduct will incorporate best practices. The LDC will adhere to the highest standards of ethical conduct. Policies and procedures will be implemented to avoid conflicts-of-interest, or even the appearance of conflict. The County Executive's office will provide active oversight of operations and insist on regular audits that will be thoroughly reviewed.

**Recommendation:** Establish a Local Development Corporation in order to allow the County to facilitate Economic Development. The County should work with the municipalities and existing entities, coordinating to position itself as the entry portal for interested and existing firms. The LDC will serve as the County's economic development team and commit to operating according to the highest ethical standards.

## Conduct a complete Medicaid review and develop a plan for addressing anticipated changes

The County administration of Medicaid is subject to many State mandates and proscriptions which significantly limit County flexibility. In addition, Medicaid is undergoing significant changes that will continue for several years and which will fundamentally change the County role and responsibilities. The County needs to understand, anticipate and plan for these changes to ensure it is not disadvantaged.

A complete Medicaid program review across agencies is warranted. The review must include: facilitated enrollment, accurate and timely reimbursement by the State of claims, recovery of administrative costs to the maximum allowable extent, minimization of denials and timely appeal of claims.

As part of the review, a plan should be developed to increase County Medicaid revenue with implementation deadlines for improvements in the initial filings and appeals of claims and the accurate reimbursement of administrative costs.

This effort would be directed through a Medicaid oversight office reporting directly to the County Executive or a lead agency with responsibility for coordinating the similar administrative functions across agencies. The published results of the Review should provide an overview of County Medicaid administration including the programs, total costs, enrollees and claims, as well as projected changes to the program. It should serve as a management and planning tool, offering shared guidance to the various departments engaged in Medicaid administration and set forth strategies for addressing changes in Medicaid anticipated at the State and federal levels.

County Departments including Social Services, Health, Mental Health, Children, Youth and Families and Aging are responsible for different aspects of County Medicaid administration. Collectively these agencies provide direct care, eligibility review and facilitate enrollment. They also conduct the appropriate accounting of expenses to accurately reflect the obligation of the State to reimburse the County and handle appeals if payments are not as expected.

Leaders at these agencies face similar challenges in administering Medicaid, but, to date, solutions have been agency-specific. Problem identification, diagnosis and remedy have been decentralized.

Health and human service agencies should begin to meet regularly and deliberately coordinate their efforts to meet the needs of Medicaid beneficiaries, solve problems and address administrative challenges. They must pursue better coordination, sharing of administrative services and the improvement and sharing of technology.

This group should adjust the strategies set forth following the Medicaid Review as needed to respond to additional federal and State changes to Medicaid.

The Medicaid Review also should examine the use of Information Technology among the various departments that administer Medicaid programs and include recommendations regarding potential consolidation of these services. The State may support such consolidation through HCRA grants and any such opportunities must be pursued. The Review will consider additional efficiencies among the health and human service agencies that could be achieved through centralization of services including human resources, finance, legal and administration, as well.

**Recommendation:** Medicaid is undergoing significant changes that will fundamentally change the County role and responsibilities. A complete Medicaid program review across agencies is warranted to ensure that the County receives the maximum reimbursements and enrolls recipients of services in order to reduce costs borne solely by the County.

## **Transition Team Recommendations by Subcommittee Cluster**

## **Fiscal Policy and Planning**

## Review the relationship with Hudson Valley Community College

The County should communicate with the other regional counties to assure that our students are provided the best education and the County taxpayers are treated fairly compared to the host counties. The current agreement between Albany County and Hudson Valley Community College places a disproportionate financial burden on Albany relative to Rensselaer County and has so for a number of years. Given the disparate financial commitment and lack of county representation on the Board of Trustees, it behooves the County to explore partnerships with surrounding community colleges as well as approaching SUNY to determine the feasibility of creating a community college within the County.

## Address the County's accumulated operating deficit

The County ended the last fiscal year with an operating deficit of at least \$15M that required the use of short term notes to cross the fiscal year. The actual operating deficit is greater and was resolved through additional management and budget actions. The County will again need to issue short term notes at the end of the current fiscal year. In addition, given the significant increase in pension costs and the current and future financial plan projections, the County will need to participate in the State authorized amortization of current and future pension payments. This pension "smoothing" is a borrowing that requires additional payments in the future. The current year borrowing and financial plan relief will be \$4.5M and next year will be \$8.3M. The County is further projecting significant out year financial plan gaps, approximately a 15 percent gap between projected spending and projected revenues at existing levels and taking into account the amortization of allowed pension increases.

The County must implement a multi-year plan to address the deficit and out year gaps through a measured annual reduction that should the potential use of dedicated revenue. Achieving the results of such a plan will require engagement of the fiscal committee of the County legislature and active involvement of the County Comptroller.

## Elevate the role of Management and Budget in the County and assign it adequate resources

Throughout the subcommittee process the Commissioner of Management and Budget provided invaluable information and insight into the Budget process and the financial plan. Assistance also was provided by the Deputy County Executive and the County Comptroller's office. Given the overriding need to find savings and maintain current services, the County must place even greater emphasis on the Management and Budget role. Additional resources needed to position the Office of Management and Budget to

provide the County Executive with tools for improved fiscal management will be identified.

<u>Associated collaboration idea</u>: Consolidation of the fiscal offices of various County departments under one Management and Budget Division.

#### **Health & Mental Health**

Designate a lead health care executive to oversee and coordinate all Albany County public health, mental health and long term care programs and initiatives

Three different county departments provide medical and dental care, mental health services and skilled nursing in the nursing home, all working independently of each other and reporting separately to the county executive. Economies of scale could be achieved and services improved by amalgamating strategic planning, health management, billing and other general administration.

The designated lead health care executive will serve on the County Executive's Cabinet and report directly to the County Executive, coordinating information sharing and executive direction with the other agency leaders.

## Explore opportunities to increase revenue or savings by restructuring health service delivery

Albany County Department of Health has moved away from providing direct clinical health care services. The exception is dental services to children due to the lack of pediatric dentists in the county who will accept Medicaid patients. The county is currently prohibited from providing dental services to adults. Opportunities may exist for the Health Department to enhance revenue by providing adult dental care to managed care enrollees, as there is a lack of adult dentists in the county as well.

Opportunities to partner with Medicaid managed care plans to supplement or take over direct care services also must be pursued. For example, community health workers visit homes to educate new parents about nutrition, infant care, the importance of wellness check-ups, and other health concerns as part of the Maternal Child Health Program. These may be services that could be provided through a Medicaid managed care plan.

### Conduct a thorough analysis of the Department of Mental Health

Unlike the Department of Health, the Department of Mental Health (DMH) has had less success at eliminating the provision of direct care. While the DMH contracts with over 30 providers, it maintains an 800 patient adult mental health clinic, a small adult outpatient chemical dependency program for about 50 people, and provides intensive case management for an estimated 120 individuals.

The Department of Mental Health must be carefully analyzed to determine if there are additional opportunities to partner with private sector providers which offer case management, mental health services or chemical dependency programs. The state's intention to move these high risk populations into Medicaid managed care plans will provide opportunities for the county to contract with outside providers.

#### **Human Services**

Integrate administrative, management and finance functions of human service entities

The entire human services area could benefit from a consolidation across agencies. Synergies across funding streams between agencies and programs can be identified to better serve clients as well as leverage administrative funding streams. Integrating finance units would make finance personnel more familiar with other funding options, which could improve claims processing and discovery of resources.

All of the agencies are working with little-to-no additional staff resources to meet critical needs. Integrating the agencies would allow human resources to manage the human service talent pool in a way that could maximize cross-training opportunities and help to ensure that staff is always available to meet critical needs. This would further the goal of providing opportunities for education and professional growth for County employees.

## Develop a plan for deployment of shared technology

All of the human service agencies could be more efficient with additional technology resources. However, any technology that is implemented must be able to manage clients across agencies to improve outcomes. This requires integrated and comprehensive planning and implementation.

In addition to client services, shared technology could assist with human resource management.

Complete a legal review and conduct research into practices in place in other Counties to determine the viability of asking clients to consent to information sharing among county agencies

The State and Federal government have recently been promoting the implementation of Behavioral Health Homes and Accountable Care organizations. These and other "evidence-based practices" need to be reviewed for implementation in the county. They have the potential to improve care for our residents, while decreasing overall costs.

One of the barriers to initiating cross-agency client management programs has been the legal requirements regarding confidentiality. It may be possible to overcome this challenge by requesting clients to sign information releases, similar to the waivers all patients must sign to release their information to health care providers and insurers. The time has come to implement the same practices that have been in place in the private sector for decades.

## Use internship programs to educate a new generation about jobs in human service agencies

DCYF is currently exploring the possibility of working with the University at Albany to create internships within the Department. This initiative should be extended across the Human Service enterprise. It is important to note that many of the human service programs are quite complex and, as a result, the training period is prolonged. There is a long lag between when an employee is hired and when that employee reaches full productivity. Creating internships could help create a staff "bench" to back-fill when existing employees leave.

## **County Administration and Operation**

## Modernizing the County from paper to electronic record management

The County continues to rely too heavily on paper record management. This has implications not only for use of paper and copiers, but also capital costs associated with record storage. Transitioning operational and administrative management to a comprehensive computer records system will be a priority. The County should perform an internal review on how best to employ technology to improve services, streamline processes and achieve efficiencies, performing cost-benefit assessments and a review of best practices from other Counties to justify investments.

## Integrate and centralize contract management

Each county department has a wide range of contracts with outside vendors. The departments would benefit from implementing more comprehensive contract management procedures to ensure that the county is getting all the services it has contracted for, and that contracted activities have been implemented in an efficient and effective manner. The county could benefit from information sharing about vendor performance as well.

## Improve Employee Morale

Help County employees feel good about their work and motivated to do the best possible job for the people of the County by engaging them in decision making that affects their jobs. A general county policy will be established regarding the involvement of front line county employees in the development of policies and procedures that involve their job duties and responsibilities will be established. For employees exempt from civil service rules, annual goal setting and performance review standards will be put in place. A review of positions categorized under the civil service system will be initiated to determine the feasibility of broadening duties and responsibilities of job titles to increase workforce flexibility. Such review must be performed in cooperation with the unions representing employees holding job titles being considered for change.

Associated collaboration idea: A shared civil service administrative structure among government entities at various levels will be explored.

## **Infrastructure and Asset Management**

Focus grant writing unit on State and Federal transportation funding

The Department of Public Works aggressively goes after Federal and State funding. However, the County Executive's proposed grant writing unit should collaborate with DPW with respect to other opportunities such as the purchase of "green" vehicles and equipment, a salt storage shed for one location currently without one, bridge repair work, and Federal/state mitigation funding to prevent costly repairs in the event of a future natural disaster.

Associated collaboration idea: A review is underway to identify best practices for intermunicipal agreements that would enable jurisdictions to "lend" each other equipment. Such agreements would have to be approved by the County Attorney and the County Executive. Albany County DPW has several agreements that could serve as models including a snow and ice control arrangement with NYSDOT, the joint use of two salt storage sheds, and joint responsibility/shared jurisdiction for the maintenance of certain bridges between the town and railroad or thruway authority.

Develop a plan to achieve administrative efficiencies while ensuring safeguards in hiring and contracting practices within the Albany County Sewer District

The process to fill open District positions should be streamlined to the extent feasible within existing requirements. Additionally, the District would benefit from a more streamlined procurement process. Currently, any expenditure requires multiple levels of review, which makes sense for large purchases requiring large sums of money. However 75% of expenditures are for less than \$500 and could be handled more effectively with streamlined oversight.

The District currently shares services intra-county with DPW and the Stormwater Coalition. The potential exists for a broader regional approach to such services.

<u>Associated collaboration ideas</u>: Opportunities exist to merge and/or acquire sewer districts operated by municipalities such as Bethlehem and East Greenbush. These opportunities could generate revenue for the county.

Explore opportunities for public/private partnership at the Albany County Hockey Facility to improve the financial outlook and use of the facility

Opportunities may exist for public/private partnership with an area program, organization or educational institution. For example, in the past, Siena College expressed some interest in scheduled use of the facility. The St. Rose/City of Albany Plumeri Athletic Complex is a useful example and should be pursued. While the facility has held its own in a competitive environment, it will sooner or later require significant investment to maintain

its competitiveness and having a partner will help to mitigate the County's associated financial risk.

## **Law and Public Protection**

Improve attention to cost management in the County law offices and courts

The County should undertake a review of 18B assignments (Section 18B of New York State County Law) and, working with the New York State Office of Court Administration, New York State Bar Association and Albany County Bar Association, determine what circumstances warrant 18B counsel, general accepted cost structure and when the public defender/alternate public defender should be used as assigned counsel.