

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

**A. GENERAL INFORMATION**

1. Date

10/20/16

2. Department

Department of Developmental Service

3. Organizational Placement (Division/Branch/Office Name)

Administration Division, Research, Audits and Evaluation Branch

4. CEA Position Title

Branch Manager, Research, Audits and Evaluation

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

Under the general direction of the Deputy Director, Administration Division, the Department of Developmental Services (DDS) proposes to establish the Branch Manager, Research, Audits and Evaluation as a new Career Executive Assignment (CEA). This CEA will be responsible for annual workload planning, implementation, management, policy direction and oversight for regional center and vendor audits, department wide research, analysis, interpretation, and evaluation of programs and outcomes. The position will also oversee report issuance on programmatic information related to service trends and other data in response to information requests, public posting on DDS website and provide reliable evidence based research to be used in decision making for the State's developmental services systems. The position will advise and consult with the Directorate, control agencies and advisory board members, regional centers and developmental centers' executive management, and a wide variety of interested stakeholders regarding significant and sensitive policy and fiscal issues effecting DDS, its consumers and service network. The position supports the DDS mission to assure the opportunity for individuals with developmental disabilities to exercise their right to make choices.

6. Reports to: (Class Title/Level)

Deputy Director, Administration Division/ CEA, Level B/ second organization level.

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st  2nd  3rd  4th  5th (mega departments only - 17,001+ allocated positions)

## B. SUMMARY OF REQUEST

### 9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Branch Manager, Research, Audits and Evaluation, is responsible for providing leadership, management and policy direction for the newly created Branch. The position plans, directs and oversees the activities of the Branch and supervises the Supervising Management Auditor and Research Manager III positions; and in coordination with the Deputy Director of Information Technology Division, manages the work products of the Information Technology staff assigned to work with the Branch. The position establishes goals and objectives to implement the research plan and develops progressive policies and processes that augment DDS' ability to be responsive to data requests taking into consideration the changes in consumer demographics and in service delivery models statewide. This involves development of sensitive and complex policy influencing proposals for executive management with the data analysis to reinforce and guide policy proposals. The CEA also provides leadership and strategic guidance to the research and audit staff to ensure that accurate data and information is used for research plan development, data distribution, analytical reports, and policy-making conclusions. The CEA will be responsible for advising on policy implications of determining the scope of the regional center and vendor audits; and communications to Executive Management and program management on improving DDS' oversight of the community services systems.

The system of services and support for people with developmental disabilities in California has become increasingly complex. Concurrently, the expectation for DDS to provide meaningful detailed analysis, effective risk assessment, oversight and monitoring, and comprehensive information on the diversity of populations served, continues to intensify. While DDS has received some additional staff to meet the increased demand, the process is extremely laborious due to the decentralized nature of the information stored primarily in legacy systems that must be compiled for a meaningful analysis that supports the quality of services delivered to its consumers. The system provides a wide range of services provided by over 30,000 vendors, some non-profit, some for-profit. Additionally, requirements for a range of service providers have increased and/or changed with recent changes in federal and state laws.

This CEA, on behalf of the Director, leads the governance committee that will be established to complete the strategic and annual plan for the new Fiscal and Program Research Section to ensure that DDS' priorities for research and analytic products and publications are met, and DDS' statewide research and evaluation efforts are coordinated. The annual plan will consider the priority needs for data and reports as determined by federal funding sources, State of California control agencies, the Legislature, advocates, stakeholders, and include the 2016 May Revision trailer bill language approved by the Legislature for increased reporting on DDS' programs, budget and expenditures, consumer demographics, etc. to improve transparency and accountability. The CEA oversees the research plan, directs and plans the work of the Section's staff, advises Executive Management on the progress of meeting the plan's goals, and advises on policy and operational issues that arise.

To receive federal funding for departmental services, DDS is mandated to perform biennial audits of the twenty-one regional centers. Regional centers, as part of the delivery of services, use approximately 30,000 vendors statewide to provide services and supports under Individual Program Plans (IPPs) for people with developmental disabilities. Over 71% of these vendors each provide services in excess of \$1 million annually. The fiscal impact of these expenditures is over \$5 billion each year. Vendor audits are indispensable for confirming that overpayments and fraud are identified, that consumers are receiving services properly, and that the checks and balances in the laws, regulations and DDS' policies are being adhered to.

This CEA oversees and directs the development of the annual audit plan based on a comprehensive risk assessment approved by the Directorate. This will include the identification of the risk environment and needs of management to determine the required audit coverage to continue receipt of federal financial participation and meet the expectations of the State's control agencies. The regional center budget for 2016/17 is over \$6 billion with almost \$700,000 proposed for regional center operations and over \$5 billion proposed for purchase of services paid to over 30,000 vendors. Additionally, this CEA will work in collaboration with the Association of Regional Center Agencies (ARCA) and regional centers to provide statewide leadership to regional centers on standard vendor audit programs, report formats and audit tools to leverage State-level and regional center audit resources.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: DDS is committed to providing leadership that results in quality services for the people of California and assures the opportunity for individuals with developmental disabilities to exercise their right to make choices. The establishment of the Fiscal and Program Research function in DDS and the alignment in one branch with the Audit Section, with leadership provided by a CEA, will increase the department's capacity to specifically address the following DDS' mission and goals more proactively:

- Implementation of systems to ensure that quality services and supports are provided.
- Facilitate the distribution of information to improve services and supports and the lives of people with developmental disabilities
- Establish a system to ensure DDS, developmental centers, regional centers and service providers are in compliance with all applicable federal and state laws, regulations and contracts, including accounting for their funding in an appropriate manner.

The CEA influences policy and provides day to day leadership over operations for the development and implementation of a prioritized research plan with emphasis on use of data analysis for effective oversight of regional centers, vendors, and improved consumer outcomes. The addition of the CEA to the fiscal and policy research and audit functions will allow the department to develop additional expertise to address, on a long term basis, appropriate funding, ability to provide services, quantifiable mechanisms to support quality delivery of services by providing relevant reports that assist in complex policy decisions affecting the people of California and individuals with developmental disabilities.

DDS is legally mandated to provide an oversight role for regional center programs. Annually, DDS receives a large number of external requests for data and information related to regional center and developmental center programs. New staffing has been established to meet the persistent and growing need for such data. Some of the most critical issues requiring reliable and timely data analysis, including such areas as regional center purchase of service expenditures; caseload growth with links to demographics for these trends, including consumer and fiscal costs geographically and by regional center; provider services availability and trends in the community service delivery system through vendors; disparities data; maximization and use of third party and federal funds; service rates; increased number of consumers aging out of school; fair hearing data; special incident reporting compliance; with new concerns manifesting every day tied to the closure of developmental centers and the transition of more consumers to the community. All of these issues influence the need for data and accurate analysis to make timely policy decisions and ensure consumers receive the necessary services to support their choices in the community. Policy level analysis and audits and evaluation are needed to safeguard transparency of regional centers and improve decision making with accurate and reliable data.

**B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Over the past decade, DDS has experienced increased and more complex caseloads as medically fragile consumers have transitioned into the community resulting from the closure of developmental centers and the moratorium on new admissions to the developmental centers. The population as a whole has aged, prevalence of consumers with dual diagnosis has increased, and consumer choice of services has shifted. DDS did not have staff dedicated to research and analysis on a system wide basis. In recent years, the number of requests that DDS receives for fiscal and programmatic information continues to increase, presenting difficulty in responding in a timely manner, due to insufficient resources available to perform comprehensive, detailed data research and analysis. This has also hampered DDS' ability to analyze data and produce actionable analyses in order to enhance DDS' oversight responsibility over the regional center services.

Effective July 1, 2016, DDS was provided resources to establish a Fiscal and Program Research Section to provide enterprise research and analysis staffing to begin the work of documenting existing data points, identifying reporting redundancies and knowledge gaps to improve data integrity and focus departmental oversight activities on the highest priority issues. This new Section under an annual plan will research, analyze, and prepare informational data driven reports on DDS programs and consumers for external and internal users.

The combining of the new Fiscal and Program Research Section within the existing Audit Branch will leverage the new resources to provide for enhanced monitoring and oversight by providing data and information on program services, costs and compliance measures. It will also provide for improved accountability and transparency of DDS' data and information for external users and internal decision makers. There is a need for a CEA to provide dedicated policy leadership over the new Research, Audits and Evaluation Branch.

In addition, DDS and regional centers received additional resources effective July 1, 2016, to address service disparities for improving the equity in regional center programs. DDS and regional centers have been required in recent years to post on their websites data on service costs by identified demographic populations. While this data indicates there are some disparities, there has been limited analysis of this data to identify contributing causes for decision makers to address and report to the Legislature on disparities in services. California has one of the most diverse populations in the country and this multi-cultural diversity is also reflected in the population of individuals with developmental disabilities. DDS is mandated to ensure that services are delivered in a culturally competent manner, and that service options are available to meet the needs and preferences of this diverse population. The CEA will consult with impacted entities to ensure relevant and timely input is gathered.

### C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Branch Manager, Research, Audits and Evaluation, is a key member of the executive management team and provides the Directorate with research based input and policy recommendations relative to trends and fiscal services purchased for people with disabilities in California. Executive management will rely on this position for compelling data analysis to use in planning and oversight of the service delivery system statewide. DDS will be able to disseminate relevant program information to inform policy decisions and educate interested parties. These resources will promote transparency, accountability, participation, and collaboration between DDS staff, regional centers, developmental centers, stakeholders, taxpayers, and policy makers for the benefit of persons with developmental disabilities in California.

Specific policies under the Branch Manager, Research, Audits and Evaluation, include, but are not limited to:

**Audit Annual Plan** – This CEA will provide policy direction for the development of a risk based comprehensive annual audit plan for regional center and community vendor provider audits covering expenditures of over \$6 billion and 30,000 vendors.

**Regional Center Audit Scope**- Historically, the scope of audits of regional centers has been primarily fiscal compliance. With the increased complexity of the DDS regional center programs and services and increased budget, there is a need and expectation that DDS will provide more risk based audit coverage of regional center operations, business practices, and vendor payments. While the Lanterman Act provides for regional centers to have a great deal of autonomy in their operations, recent serious regional center issues have highlighted the need for DDS to audit in additional areas of regional center operations such as review of lease agreements, salary and benefit packages, conflict of interest policies, negotiated rate setting documentation and procedures.

**Vendor Audit Risk Based Audit Tools and Efficiencies**-There is a significant backlog in vendor audits resulting from whistleblower complaints, management requested audits and recent audits that have disclosed fraudulent and other irregular activities. The backlog and increased need for vendor audits has highlighted the need for additional audit efficiencies and exploring risk based audit technology and audit tools.

**Strategic and Annual Plan for Research** – The CEA will provide policy direction over the establishment and implementation of the new Fiscal and Program Research Section to provide data analytics and reporting for internal and external users covering all DDS programs including Community Services and Developmental Centers with a budget of almost \$7 billion and serving over 300,000 individuals with developmental disabilities. A strategic plan will provide for long term Section goals and objectives and the annual plan will provide for allocation of resources to the short-term priorities.

**Research and Data Protocols** – This CEA will lead the policy considerations and direction for the implementation of the new section's overall research and data protocols. DDS will develop tools for policy analysis and institutional knowledge development as well as modeling multi-level impacts of proposed policy initiatives; perform literature reviews; summarize policy, statutes, and research relevant to proposed initiatives; and produce charts, maps, tables, issue briefs, and research papers. Similarly, DDS will develop a library of information and institutional knowledge with an inventory of valuable and relevant facts, including existing statutes and regulations, policies, procedures, literature, other state and national programs for similar populations, national core indicators, quality assurance information, and special incident reports.

**C. ROLE IN POLICY INFLUENCE (continued)**

**13. What is the CEA position's scope and nature of decision-making authority?**

This position will be responsible for implementing data and research protocols with dissemination of data affecting program policy and fiscal operations. The position as a member of executive management will have responsibility for developing, standardizing, administering and evaluating policy and objectives on a statewide basis. The position will identify and make recommendations on new research projects which provide deliverables that benefit DDS, its policyholders and partners. These projects could be multiyear and sizeable in dollars with impact on vendors and regional center operations. The position will diagnose business data problems and recommend and execute strategic solutions to address a variety of complex financial system operations associated with data collection. The CEA will provide leadership for the audit of multi-level providers of services and regional centers. The incumbent may represent DDS before the Governor's Office, Health and Human Services Agency, other state and federal agencies, Legislature and other parties interested in DDS.

**14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?**

The Branch Manager, Research, Audits and Evaluation, develops and implements new policies as well as interprets and monitors existing policies. In the development of the Strategic and Annual Business Plans for the new Research Section, the CEA will develop and implement new policies. In the development of a comprehensive risk assessment to develop the annual Audit Plan, the CEA will interpret and implement existing policies as well as new policies related to a need to further refine the risk based audit plan and leverage the audit resources in the regional centers.

The position is an active member of executive management and, through the data provided from the various research projects and audits, will make recommendations that will benefit the Department, providers of services and people with disabilities. The position will specifically identify and prioritize the department's research and audit program needs and implement objectives through leadership of research and audit staff.