

California Department of Public Health Licensing & Certification Program

Remediation Recommendations

August 2014



MOVE FORWARD WITH
CONFIDENCE AND CLARITY



HUBBERT SYSTEMS CONSULTING



Hubbert Systems Consulting, Inc.
2330 Gold Meadow Way, Suite A
Gold River, CA 95670
P: 916.635.5046 F: 916.635.5056
www.hubbertsystems.com

Table of Contents

EXECUTIVE SUMMARY	1
BACKGROUND and APPROACH.....	5
RECOMMENDATIONS	21
<u>Leadership, Strategic Planning and Customer Needs</u>	
1. Build a Visionary Executive Leadership Team	23
2. Create a Change Management and Governance Structure	28
3. Expand External Stakeholder Engagement.....	33
4. Develop and Implement a Strategic Plan	36
5. Restructure L&C for Increased Efficiency and Accountability	41
6. Overhaul Approach for LA County Workload Management and Oversight.....	47
<u>Measurement, Analysis and Performance Improvement</u>	
7. Establish and Monitor Key Performance Indicators	52
8. Build Capacity for Ongoing Organizational Improvement.....	57
<u>Workforce</u>	
9. Improve Hiring and Promotion Processes	61
10. Develop a Staffing Model and Workforce Plan	64
11. Design and Implement a HFEN Recruitment Strategy and Campaign.....	70
12. Design and Implement an Employee Retention Plan for District Offices.....	73
13. Improve HFEN On-Boarding and Initial Training	77
14. Improve On-Boarding and Initial Training for Non-HFEN Staff	82
15. Implement a Comprehensive Program for Ongoing Training and Staff Development....	85
16. Develop and Implement a Leadership and Management Skills Development Program .	89
<u>Operations</u>	
17. Improve Communication, Collaboration, and Sharing of Best Practices	94
18. Implement Lean Thinking for Key Work Processes	101
19. Deploy IT Hardware and Software Upgrades	105
20. Update Policies & Procedures	111
21. Update Regulations.....	114
APPENDIX 1: Preliminary Implementation Road Map and Timeline	117
APPENDIX 2: LTC Dashboard and Performance Metric Examples	119

EXECUTIVE SUMMARY

In August 2013, the California Department of Public Health (CDPH) Licensing and Certification (L&C) Program engaged Hubbert Systems Consulting to perform a comprehensive organizational assessment to determine the key challenges, issues and barriers impacting the fulfillment of state licensing and federal survey and certification requirements. The remediation recommendations in this report are based on an organizational assessment and gap analysis of the L&C Program performed between August 2013 and April 2014. The output from this project is intended to provide L&C with the foundational analysis and recommendations necessary to establish improvement objectives and successfully monitor Program performance ongoing.

ABOUT THE LICENSING AND CERTIFICATION PROGRAM

Health care facilities in California are licensed, regulated, inspected, and/or certified by a number of public and private agencies at the state and federal levels, including the CDPH L&C Program and the United States Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS). CMS contracts with L&C to ensure that facilities accepting Medicare and Medi-Cal payments meet federal requirements. L&C is also responsible for ensuring that health care facilities comply with state laws and regulations by conducting on-site inspections (surveys) and investigating complaints and facility-reported events.

In addition, L&C oversees the certification of nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators. Other L&C responsibilities include auditing and enforcing nurse staffing levels in long-term care facilities; working with California hospitals to prevent healthcare-associated infections; and assisting facilities in preparing for, responding to, and recovering from disaster events.

ASSESSMENT APPROACH

The focus of this project's initial assessment was to identify key issues, challenges, and barriers for the most important processes and results in the L&C Program. During this first phase, the consulting team:

- conducted more than 200 interviews;
- spent hundreds of hours observing L&C employees within the context of their day-to-day work;
- conducted an extensive review of L&C documents; and
- analyzed employee surveys.

Next, a gap analysis was performed to characterize the gap between current performance and desired performance in key aspects of the L&C Program. This gap analysis began with a thorough analysis of all L&C federally and state-mandated workloads, and was followed by an analysis of organizational systems and processes that support the completion of that workload. The methods of analysis for this phase also included focused document review, interviews with subject matter experts, and in-depth staff surveys. The remediation recommendations in this report are based on the finding from the assessment and gap analysis efforts.

SUMMARY OF ASSESSMENT AND GAP ANALYSIS FINDINGS

The findings of the initial assessment and gap analysis showed L&C Program employees overall possess strong technical expertise, extensive content knowledge, and a desire to serve. The depth and breadth of staff subject matter knowledge and expertise are key strengths of the Program. The L&C Program is comprised of talented and dedicated professionals who share a goal of providing safe, quality health care for all Californians.

The initial assessment and gap analysis also showed opportunities for improvement in almost all functions of the L&C Program. Staff, supervisors and executives are aware of many of these opportunities, and efforts have been underway to make improvements.

Assessment and gap analysis findings were grouped into two major sections: a review of L&C's performance in executing its core functions, and an evaluation of the underlying organizational systems and processes that support L&C's workload.

The analysis of L&C survey, investigation, citation and oversight functions found opportunities to improve timeliness and reduce unexplained variability in the quality and severity of findings reported by district offices. Improved oversight of the LA County contract also was identified as a target for remediation efforts.

The evaluation of the Program's support infrastructure identified opportunities for improvements in workforce planning, recruitment, retention, leadership development, training and use of information technology. Updating and standardizing policies and procedures also were identified as an improvement priority. Additional targets for attention included strategic planning, measuring performance, building capacity for ongoing business process effectiveness, and communication with employees about activities that are contributing to progress toward Program objectives.

OVERVIEW OF REMEDIATION RECOMMENDATIONS

The remediation recommendations described in this document address each of the over 100 detailed gaps and opportunities for improvement identified in the Assessment and Gap Analysis report. The recommendations included in this report are intended to guide L&C's leaders as they engage in the positive and transformational changes the organization needs. The recommendations are organized in the following groups:

- **Leadership, strategic planning and customer needs:** These recommendations describe how to initiate governance over the implementation of the proposed remediation plan, make enhancements to leadership and team operations, improve external stakeholder

engagement, enact a strategic plan, align Program functions, and update the Program's approach to LA County oversight.

- **Measurement, analysis and performance improvement:** This section of the recommendations describes actions to establish key performance indicators and to build capacity for ongoing performance improvement. Examples of performance indicators and a performance report mock-up are included in the appendices.
- **Workforce:** Recommendations in this category address hiring and promotion processes, staffing model development, recruitment, employee retention, succession planning, new employee on-boarding, staff training, and leadership development
- **Operations:** Remediation suggestions in this section are related to communication, collaboration, sharing best practices, business process improvement, technology upgrades, policies, procedures and regulations.

There are significant interdependencies and relationships between the 21 recommendations provided in this report, however each recommendation may be managed as a distinct improvement thread. Implementing these recommendations is expected to take over two years, and some of the activities require internal or control agency approval before they may be commenced. In addition, some recommendations may require a temporary infusion of resources to initiate the major changes identified. Redirection of resources also may be required in some cases.

The goal of these recommendations is to allow for meaningful, measurable improvement in the Program's performance. Though some of the suggested changes may be disruptive to day-to-day Program operations, these sacrifices are essential to improving and sustaining a well-performing L&C function for the State of California.

BACKGROUND and APPROACH

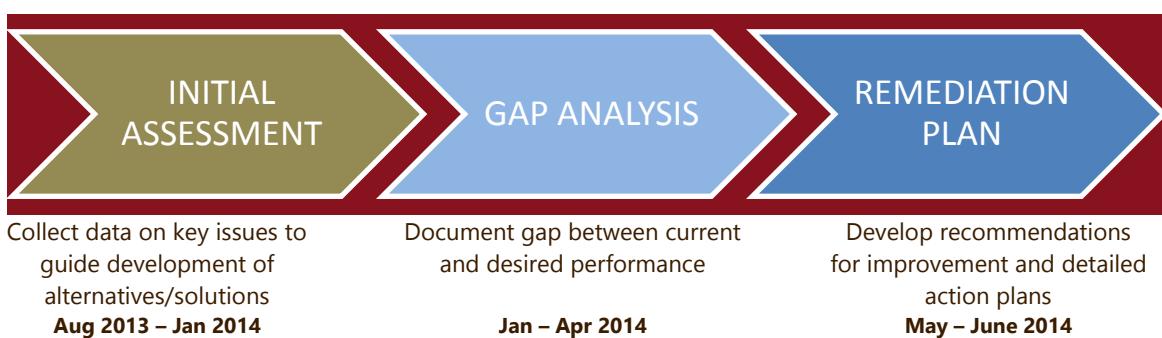
In the spring of 2012, the California Senate expressed concern regarding CDPH's health care facility oversight in several areas. Specifically, CDPH L&C was asked to address:

- Hospital accountability for medical error reporting;
- The impact of L&C staffing reductions in the early 2000s;
- A 2007 California State Bureau of State Audits report and CMS Office of the Inspector General reports (2011 and 2012) related to the enforcement of state and federal nursing home requirements;
- Delays in the development of several regulations packages, including administrative penalty fines;
- The degree to which surveyors use discretion when determining the severity of violations rather than employing standardized criteria; and
- Opportunities to merge the federal and state survey standards into a single survey tool.

In April 2012, citing poor performance on the State Performance Standards System (SPSS) national performance standards, CMS placed the CDPH L&C Program on a corrective action plan. In addition to specific benchmark performance criteria, the Program was required to complete a comprehensive assessment of all survey and certification operations to identify concerns, issues and barriers related to difficulty in meeting performance expectations.

The L&C Program is currently implementing various change initiatives aimed at improving performance. Since 2012, L&C has focused intensively on building organizational capacity and enhancing accountability and sustainability in order to fulfill responsibilities in the enforcement of state and federal law. For example, L&C has undertaken a concentrated effort to develop short- and long-term goals and action plans focused on meeting the CMS Benchmark Performance and SPSS criteria. The Program has experienced significant improvement, with multiple successes and lessons learned as a result of this focused effort.

In August 2013, the L&C Program engaged Hubbert Systems Consulting to perform a comprehensive organizational assessment to determine the key challenges, issues and barriers inhibiting the timely fulfillment of state licensing and federal survey and certification requirements. The three major elements of this project include an initial assessment, a gap analysis, and remediation recommendations. The following graphic outlines the three major elements of this comprehensive organizational evaluation.



PROGRAM PROFILE

The California Department of Public Health (CDPH) is organized into five centers dedicated to different aspects of public health. One of those centers, the Center for Health Care Quality (CHCQ), operates the Licensing and Certification (L&C) Program. L&C is the largest Program within CDPH, consisting of about 1,200 managers and staff located in 14 district offices and Los Angeles County. L&C is responsible for the enforcement of regulatory standards related to the quality of care provided in California's approximately 7,500 health care facilities. L&C licenses approximately 30 different types of health care facilities and conducts roughly 27,000 complaint and incident investigations annually. The L&C Program has a total estimated budget of approximately \$184 million in Fiscal Year (FY) 2013-14.

Health care facilities in California are licensed, regulated, inspected, and certified by a number of public and private agencies at the state and federal levels, including the CDPH L&C Program

and the United States Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS). CMS contracts with L&C to ensure that facilities accepting Medicare and Medi-Cal payments meet federal requirements. L&C is also responsible for ensuring that health care facilities comply with state laws and regulations by conducting on-site inspections (surveys) and investigating complaints and facility-reported events. In addition, L&C oversees the certification of nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators. Other L&C responsibilities include auditing and enforcing nurse staffing levels in long-term care facilities; working with California hospitals to prevent healthcare-associated infections; and assisting facilities in preparing for, responding to, and recovering from disaster events.

The L&C Program is an essential part of CDPH's mandate to serve and protect the public interest. The Program's ability to perform its many tasks with competence and efficiency directly affects the lives of millions of people each year. Following is a brief description of key L&C Program structure, roles, and functions.

Field Operations

Field Operations, consisting of seven branches each representing a region of the state, is responsible for ensuring that health care facilities comply with state and federal laws and regulations. Field Operations staff, some of which are contracted LA County personnel, conduct on-site inspections (surveys) and investigate complaints and facility reported events. Survey teams consist primarily of registered nurses and life safety code inspectors. On some surveys, teams are joined by other health professionals such as pharmacists, nutritionists, physical and occupational therapists, infection control experts, and physician consultants.

In addition to the seven geographically defined branches, Field Operations includes following sections and units:

- *The Life Safety Code (LSC) unit* conducts surveys for fire prevention, fire protection systems and equipment, building construction standards, and environmental issues for health care facilities.
- *The State Facilities Unit (SFU)* provides enforcement actions for health care facilities operated by other Departments within the state, as well as state prisons.
- *The Staff Education & Quality Improvement Section (SEQIS)* provides statewide staff training and development for new and existing staff with respect to existing and changing licensing and certification functions brought about by changes in federal and state legislation, regulations, and contract requirements.
- *The Centralized Applications Unit (CAU)* was established in order to centralize the processing of facility applications (initial and change of ownership) for state licensure. CAU's mission is to ensure standardization of the facility licensure application process and to ensure the review of these applications is done in a timely and consistent manner.
- *The Consultants Unit* consists of four sections: Medical, Healthcare, Pharmacy and Nutrition. The unit includes physicians, pharmacists, dietitians, nurses, occupational therapists, and medical records specialists who are located at headquarters and in the district offices. These consultants provide expert clinical advice and consultation in their areas of expertise for all L&C survey and certification activities.

Professional Certification Branch

The Professional Certification Branch (PCB) is responsible for the certification of nurse assistants, home health aides, hemodialysis technicians and the licensure of nursing home administrators. The PCB is also responsible for the investigation of allegations involving health care professionals and the enforcement of disciplinary actions.

Policy and Enforcement Branch

The mission of the Policy and Enforcement Branch is two-pronged: 1) promote statewide standardization and consistent application of regulatory requirements governing health care facilities licensed by the L&C Program, and 2) maintain effective oversight of requests for Medicaid-certified health care facilities. The branch accomplishes its mission by conducting analyses of proposed legislation, adopting state licensing regulations, developing policies and procedures and health care facility notices, and providing timely processing and tracking of Medicaid certification requests and associated enforcement actions.

Staffing Audits and Research Branch

The Staffing Audits and Research Branch (STAR) conducts research on the quality of health care by determining whether facilities meet the 3.2 hours of required nursing care per day. The STAR Branch is also responsible for auditing and enforcing nurse staffing levels in long-term care facilities.

Resource and Operations Management Branch

The Resource and Operations Management Branch provides administrative support to the Program and includes the Business Services, Fee Development and Grant Management, Fiscal, Contracts, and Personnel Liaison Units.

Healthcare-Associated Infections Program

The Healthcare-Associated Infections (HAI) mission is to improve the quality of care in California hospitals through the prevention of healthcare-associated infections. This is achieved through the public reporting of infection rates and prevention measures and working with partners and stakeholders to enhance infection prevention activities within California hospitals.

Emergency Preparedness and Disaster Response Branch

The Emergency Preparedness and Disaster Response Branch protects the health and safety of individuals in health care facilities during times of disaster, and assists facilities in mitigating the effects of, preparing for, responding to, and recovering from disaster events.

PROJECT APPROACH

The L&C Program is entrusted with extensive regulatory and enforcement duties in the public interest, and these public duties define the context within which the Program operates. With that in mind, this project was designed to help L&C attain its Program goals by providing the following:

- Identification of concerns, issues, and barriers related to the timely annual fulfillment of L&C's state licensing and federal certification workload assignments;
- Actionable recommendations for corrective measures including but not limited to process and/or quality improvement initiatives; and
- A comprehensive work plan that allows for remediation activities to be implemented in stages.

The scope of this organizational assessment encompasses all services of the L&C Program. These include all services and functions provided at headquarters, delivered in field locations, and covered in the Los Angeles County contract.

This project's deliverables prepared for L&C Program leaders are intended to support positive and transformational organizational change. It is important to note that this organizational assessment is one of several ongoing and concurrent initiatives focused on driving positive performance outcomes. This assessment is separate from these other initiatives and is not intended to replace or duplicate them, but rather to complement them.

Governance

To support ongoing validation of the project objectives, assessment approach, and preliminary findings, Hubbert Systems consultants met regularly with executive management and other senior managers. Weekly check-in meetings provided an opportunity to review the status of actions and decisions related to assessment activities. During these meetings, leaders also reviewed project accomplishments, work in progress, upcoming activities, project risks, and outstanding assignments. Regular phone and email communication with L&C leaders also provided the opportunity for interim ad hoc document review and decision-making.

Framework for Initial Assessment

The surveillance conducted for the initial assessment provided input from stakeholders, executives, managers and staff through the perspective of the Malcolm Baldrige National Performance Excellence Program criteria. The Baldrige model includes seven separate but interrelated categories that can be evaluated to assess organizational performance. These include:

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Measurement, Analysis, and Knowledge Management
5. Workforce Focus
6. Operations Focus
7. Results

The CDPH L&C Program was evaluated on the seven Baldrige Criteria for Performance Excellence categories. This evaluation was based on two dimensions: process and results. Process refers to the methods used to address the criteria in categories 1-6; the four factors used to evaluate process are approach, deployment, learning, and integration. Results are evaluated for levels, trends, comparisons and integration. A critical consideration in this framework is the importance of various processes and results to the overall goals and

objectives of the organization. Thus, the focus of the Initial Assessment was to identify key issues, challenges, and barriers for the most important processes and results in the L&C Program.

Data Collection

Hubbert Systems has developed a standardized methodology for structuring organizational assessments engagements and guiding project teams throughout the process. The methodology for data collection provides a structure for the planning, organization and execution of the analysis while also remaining flexible and adaptable to client needs. The methodological elements customized for this assessment included:

- A breakdown of the L&C Program into its component parts;
- Interviews of a representative sample of employees, including careful attention to leadership;
- Observations of headquarters and field operations;
- Examination of available documents and relevant data; and
- Review of survey reports.

Interviews were completed to gather qualitative data regarding the L&C Program's practices. Over a four-month period, the project team interviewed more than 200 L&C managers, staff and stakeholders. Individuals were invited to participate in one-on-one or group interview sessions. The interview questions addressed the individual's understanding of the key issues, challenges, and barriers facing the L&C Program and contributing to its difficulty in timely fulfillment of state licensing and federal survey and certification workload requirements. The interview questions helped to ensure that the same areas of inquiry were conducted and similar information was explored with each person.

Hubbert Systems also observed employees within the context of their work. These interactions took place during informal in-person conversations and during structured meetings. The

categories of the Baldrige framework served as a reference for the observational aspect of this study.

Data collection also involved reviewing existing documents to help understand the operation of the Program, which can assess alignment between formal statements of Program purpose and the actual Program implementation. Record review also provided information for developing other data collection tools, to formulate questions for interviews, and was used extensively in conducting the Gap Analysis. Hubbert Systems identified a variety of documents to support assessment project planning, to assist with the assessment activities, and to provide evidence of the Program's capacities. This involved extensive review of L&C documents including reports, tracking logs, memos, policies, and agendas.

Surveys were another method of data collection used. Results from several Department-wide employee surveys conducted by CDPH were used to support assessment activities.

L&C staff were also involved in verifying and clarifying the data analysis. Post-interview sessions were conducted with some staff to inquire whether viewpoints were faithfully interpreted, to rule out errors of fact, identify material omissions of important Program processes, and to determine whether the analysis makes sense to interviewees with different perspectives. This reaction and feedback provides a check of the credibility of the analysis.

Gap Analysis

As part of the assessment, Hubbert Systems performed a Gap Analysis for L&C to characterize the gap between current performance and desired performance in key aspects of the Program. The Gap Analysis began with an analysis of all L&C federally and state-mandated workloads, followed by an analysis of organizational systems and processes that support the completion of workload activities. A description of the desired future state, or "Future View," and the "Current View" also were provided based on our Initial Assessment. Then an analysis of the gap

between the Future View and Current View using a defined capability maturity framework was provided.

The future view described the potential for optimal performance and practices based on customer needs, related organizational goals and objectives, and known best practices. Examples identified during our data collection of Program-wide strengths and promising practices were included in this future view.

The current view described the actual L&C performance and practices based on results from our surveillance. In some cases, this current view of the Program explained the challenges presently facing the Program and the related resources and stakeholder requirements.

The gap between the future and current L&C Program operational maturity and performance compared the current performance to the future requirements for the Program using the following capability maturity gradation:

- No Evidence of Defined Approach or Implementation
- Isolated Examples But No Program-Wide Approach
- Early Program-Wide Approach
- Aligned & Integrated Program-Wide Approach

The Gap Analysis was organized into two major sections. First, a Workload Assessment described the following:

1. Federal Survey and Certification Workload
2. State Licensing Survey Workload
3. Facility Investigations (Complaints, Entity-Reported Incidents, Adverse Events, Medical Breaches)
4. Professional Certification Branch Complaint Investigations
5. Los Angeles County Contract

6. Civil Monetary Penalties

The second section of Gap Analysis addressed the underlying Organizational Systems and Processes that contribute to L&C's performance outcomes in the Workload Assessment section above. The topics covered in this section included:

7. Strategic Planning
8. Performance Management
9. Performance Improvement Capabilities
10. Organizational Design and Structure
11. Regulations
12. Policies and Procedures
13. Communication and Collaboration
14. Information Technology Systems
15. Timekeeping and Fiscal Estimate Processes
16. Hiring and Promotion Processes
17. Training and Staff Development
18. Employee Satisfaction and Retention
19. Leadership Development and Management Skills
20. Organizational Culture

OVERVIEW OF INITIAL ASSESSMENT AND GAP ANALYSIS FINDINGS

L&C Program employees overall possess strong technical expertise, extensive content knowledge, and a desire to serve. The depth and breadth of staff subject matter knowledge and expertise are key strengths of the Program. The L&C Program is comprised of talented, knowledgeable and dedicated professionals who share a goal of providing safe, quality health care for all Californians. Nonetheless, there are opportunities for improvement in many areas of the organization. Highlights of findings from the assessment and gap analysis are described below.

Workload Assessment

Among the findings the Gap Analysis were the following:

- The L&C Program had difficulty meeting CMS-mandated survey and certification responsibilities for several years. The Program had not met 12 of 18 State Performance Review measures for federal fiscal years 2008-2012. Among significant concerns identified were the inability to complete CMS workload mandates; untimely completion and low substantiation of complaint/incident investigations; delayed submission of survey reports; and untimely completion of various other survey activities. In addition, CMS identified opportunities for improvement in the content and quality of survey findings. Notably, recent improvement has been made with 12 of 18 performance standards met for federal fiscal year 2013.
- The L&C Program is mandated to conduct various state re-licensing surveys to ensure that a provider is in compliance with all state laws and regulations. These surveys determine if a facility has the appropriate staff, equipment, policies and procedures to deliver services to patients. L&C is not performing well on state-mandated facility re-licensing surveys. For example, 71% of the SNFs appeared to be overdue for a licensing survey, and nearly one-third of these facilities did not have a licensing survey conducted since 2005.
- L&C staff are tasked with responding to complaints, entity-reported incidents (ERI), adverse events, and medical breaches. These investigations require on-site inspections to evaluate compliance with both state and federal requirements related to the issue reported. Timely closure of complaint investigations has been an ongoing challenge for the L&C Program.
- A backlog of complaints has been problematic for the Professional Certification Branch (PCB) for several years. Similar to facility complaints, there are more than 1,000 complaint investigations received since January 2012 for which an investigation has not yet been completed.

- L&C contracts with the Los Angeles County Department of Public Health to license and certify health care facilities located in L.A. County. As home to nearly one-third of the facilities in the state, L.A. County represents a significant oversight workload. The current approach to this workload does not allow for adequate oversight and contract management. The L&C Program needs a comprehensive and well-coordinated contract administration and monitoring plan. A structure for supporting collaboration and communication in providing contract oversight also is required.
- Violations of federal and state regulations are subject to monetary penalties. There have been frequent complaints by providers and stakeholders regarding the L&C Program's lack of timeliness in issuing citations in such cases. A recent L&C report indicated the average time interval for issuing state citations to be one year.

Organizational Systems and Processes

This section of the gap analysis identified the following opportunities for improvement:

- Validity and reliability of information collected from the staff timekeeping system, and issues with the methods for analyzing and reporting that information, make it difficult to determine adequate staffing levels for the Program.
- Vacancies in key positions present a significant barrier to achieving federal and state Program mandates. Hiring is slow and a key barrier to completing mandated workloads within required time frames. The hiring and on-boarding processes are time-consuming and serve as significant barriers to recruiting appropriate candidates. In addition, there are often excessive wait times for processing testing results and related promotion paperwork. Salary differentials are currently addressed with a temporary retention/recruitment and pay differential. The provisional nature of the retention/recruitment and pay differential is a barrier to recruiting HFEN supervisors because HFEN qualified candidates are hesitant to accept permanent positions for fear of losing the differential. Once the differential becomes permanent this will no longer be

an issue. The HFE Specification Project which aligns the salary differential in the classification is expected to lift this barrier to recruiting HFEN supervisors.

- L&C needs to put in place a comprehensive retention strategy or succession plan. This may be of significant importance because 58% of all CDPH managers and supervisors are over the age of 50, and 36% of L&C respondents to the 2013 CDPH Employee Survey report plans to retire within the next 5 years. Moreover, 18% of survey respondents report they are actively seeking work outside of L&C.
- L&C requires a comprehensive, Program-wide approach for assessing the needs of its staff and then providing appropriate training. L&C's New Surveyor Academy provides a good foundation for new HFENs, and the CMS-mandated training for health facilities evaluator nurses is comprehensive. However, a structured mentoring program is needed to support classroom training.
- Some analyst and support staff reported receiving little or no initial orientation or ongoing training. For example, 37% of the district office analysts and 41% of support staff reported they did not receive an initial orientation. In addition, a significant number of managers and supervisors are not provided an orientation to their role nor ongoing training and development in leadership and management skills.
- There is a significant lack of standardization in L&C systems and processes. Processes are paper-based and labor-intensive with multiple redundancies.
- The use of modern IT hardware and software to conduct work is not the current practice for HFENs in the L&C Program. While all HFENs are provided a laptop/tablet computer, they seldom use them while conducting an on-site survey or investigation. Documentation related to the survey activities and findings, as well as the employee's record of time spent, are hand-written and later entered into the IT application when returning to the office. The federal State Operations Manual can be accessed via internet, but this requires web access, and surveyors do not have web access when in the field.

- Many of the existing regulations, in nearly all of the licensure categories, are decades old and need to be updated. L&C currently has numerous overlapping, redundant, and out-of-date policies.
- The organization is in need of a comprehensive communication strategy and plan to facilitate the flow of information both internally and externally. Although there are regular District Administrator / District Manager (DA/DM) meetings and weekly meetings with the branch chiefs and District Office Managers, there is limited evidence of a well-documented and standardized practice or structure for coordination and collaboration.
- Instead of leading the conversation about performance and process improvements that address known performance shortcomings, the Program appears to be applying most of its analytic resources responding to questions from the press, advocacy groups, CMS, the Legislature, and other control agencies. Evidence of comparative data appears limited and there is little Program-wide performance data shared regularly with external stakeholders on the L&C internet site or elsewhere.
- The Program needs to be consistent in its approach to data collection, analysis, and reporting. The lack of well-maintained documentation on L&C performance measurement practices and data quality issues hamper the consistency of reports used by both managers and external stakeholders to evaluate Program performance. An entity within the L&C organizational structure should be responsible for performance measurement, management, and improvement.
- The Program can benefit from consistently, and in a structured manner, sharing information on priorities and best practices within headquarters and among district offices. There also is great value in identifying successful business process improvement initiatives and facilitating adoption of promising process enhancements within the organization.

DEVELOPING REMEDIATION RECOMMENDATIONS

L&C's performance issues and related underlying organizational problems described in this report are not new. Many times during the course of this project, Program managers and staff expressed awareness of these problems and a desire to see them addressed. Hubbert Systems offers this document as a roadmap to help the Program achieve the levels of performance to which the Program and its staff it aspire.

The recommendations described in this document address each of the over 100 detailed gaps and opportunities for improvement identified in the Assessment and Gap Analysis report. Each of these gaps was mapped to groups of activities that were designed to address multiple improvement opportunities at once. Although there are interdependencies and relationships between the 21 recommendations provided in this report, each may be managed as a distinct improvement thread.

Implementing these recommendations is expected to take over two years, and some of the activities require internal or control agency approval before they may be commenced. In addition, some recommendations may require a temporary infusion of resources to initiate the major changes identified. Redirection of resources also may be required in some cases.

The goal of these recommendations is to allow for meaningful, measurable improvement in the Program's performance. Though these changes may be disruptive to day-to-day Program operations, these sacrifices are essential to improving and sustaining a well-performing L&C function for the State of California.

RECOMMENDATIONS

The 21 remediation recommendations described in this report include the following elements within the narrative, action steps and expected outcomes:

- Background, overview and purpose of recommendation;
- Excerpts from the current and future views from the Assessment and Gap Analysis report that provide examples of improvement opportunities;
- Relationships to other recommendations, e.g., dependencies, overlaps, predecessors;
- Related best practices, existing efforts, and planned initiatives that should be leveraged or consolidated;
- Recommendation objectives, outcomes or milestones that would be achieved when the recommendation is implemented;
- A sequence of actions that should be executed to implement the recommendation;
- Suggested timing for implementing the recommendation, included expected start timeframe and initiative duration;
- Alternative approaches when applicable; and
- References to relevant literature and other organizations' successful approaches.

In the appendices is a rolled-up timeline that shows all the recommendations, including relative duration and start times. The timeframes described in the recommendations and provided in the appendix are subject to internal and control agency approvals, as they may require new or redirected resources.

The recommendations are organized in the following groups:

- **Leadership, strategic planning and customer needs:** These recommendations describe how to implement governance over the implementation of this proposed remediation plan, make enhancements to how the leadership team operates, improve external

stakeholder engagement, enact a strategic plan, realign the Program's functions, and update the approach to LA County oversight.

- **Measurement, analysis and performance improvement:** This section of the recommendations describes actions to establish key performance indicators and to build capacity for ongoing performance improvement. Examples of performance indicators and a performance report mock-up are included in the appendices.
- **Workforce:** Recommendations in this category address hiring and promotion processes, staffing model development, recruitment, employee retention, succession planning, new employee on-boarding, staff training, and leadership development
- **Operations:** Remediation suggestions in this section are related to communication, collaboration, sharing best practices, business process improvement, technology upgrades, policies, procedures and regulations.

RECOMMENDATION #1

Build a Visionary Executive Leadership Team

While they are not the same thing, leadership and management must go hand in hand and are necessarily linked and complementary concepts. The manager's job is to plan, organize and coordinate the resources of the organization such that the task can be successfully completed. Leaders, on the other hand, are charged with inspiring and motivating people to perform the work necessary to successfully reach the organization's goals. Highly effective leadership teams are consistently found to be characterized by a clear sense of direction, a deep sense of shared vision and purpose, and a clear understanding of the actions and outcomes that must be produced in order to achieve the organization's purpose and vision.

In June 2012, CMS identified the need for "effective leadership, management and oversight of CDPH's regulatory organizational structure, systems and functions." Similarly, the Hubbert Systems gap analysis identified opportunities to improve the effectiveness of L&C executives, including activities related to strategic planning, communicating organizational goals, identifying performance measures, prioritizing initiatives, and monitoring progress toward objectives.

L&C managers currently are taking advantage of leadership development training offered by CDPH. These efforts should be continued and are included as part of this recommendation. However, the Program also should implement an intensive and focused initiative targeted at the senior leadership team. Jim Collins, in his seminal book, *Good to Great*, found that, "Those who build great organizations make sure they have the right people on the bus, the wrong people off the bus, and the right people in the key seats before they figure out where to drive the bus."¹

¹ Collins, James C. 2001. *Good to Great: Why Some Companies Make the Leap - and Others Don't*. New York, NY: HarperBusiness.

For the L&C Program, implementation of this recommendation should begin immediately, can be expected to take six to twelve months, and should include the following actions:

- 1) **Prioritize L&C Leadership Qualities.** Build a model of the skills, competencies, behaviors, and values to which all key team members will be held accountable. Based on L&C's mandates and the importance of ongoing performance improvement, the following leadership traits should be considered as essential for its executives:
 - **Visionary:** Possessing a clear idea of what they are trying to accomplish and are excellent at strategic planning
 - **Inspirational:** Personally communicating a vision of the future that inspires others to do whatever it takes to get there
 - **Optimistic:** Seeking out the positives and spreading optimism throughout the organization
 - **Integrity:** Honest, fair, candid, and forthright
 - **Courageous:** Willing to take risks in the achievement of goals
 - **Decisive:** Not hesitating to make informed decisions
 - **Humble:** Possessing the self-confidence and self-awareness to recognize the value of others without feeling threatened, admitting one could be wrong, and giving credit where credit is due
 - **Confident:** Assured that well-informed decisions will contribute to the vision and mission, while infecting staff with the same level confidence
 - **Communicator:** Ensuring that every employee is provided with complete and up-to-date information about the organization's goals, performance, successes and failures
 - **Supportive:** Providing an environment that is safe to take risks, to tell the truth, and to speak up without being punished for doing so; clearing away the organizational roadblocks that constrain employees' natural creativity and initiative

-
- 2) **Articulate Objectives and Impacts.** Lay out clear performance management expectations and consequences of failing to achieve or make progress on these goals. Additional recommendations related to measurable performance objectives are included in the “Establish and Monitor Key Performance Indicators” section (Recommendation #7) of this report.
- 3) **Invest in Leadership Development.** Expand current leadership development efforts offered by CDPH to provide developmental opportunities for leaders with a focus on developing the defined leadership traits described above. Consider implementing a 360-degree review for each member of your team. Provide evidence-based leadership development and training for all members of the senior leadership team. One example is the work of Professors James Kouzes and Barry Posner, of Santa Clara University, who have been studying leadership since 1983 and are the authors of one of the most respected texts on the subject called *The Leadership Challenge*.² Kouzes and Posner propose Five Practices of Exemplary Leadership. Their assertion is that, through the analysis of thousands of best-practice cases, leaders aspire these five behaviors:
- **Model the Way** - demonstrate behavior that sets the standard for how people are to be treated, what values are shared, and where their priorities need to be
 - **Inspire a Shared Vision** - speak the language of the employees, understand their needs and concerns, and express enthusiasm for the compelling vision of the group
 - **Challenge the Process** - create a climate within their organizations where risk taking and innovation are encouraged
 - **Enable Others to Act** - empower and trust others to perform and act to strengthen the ability of each individual on the team to deliver on their promises and commitments
 - **Encourage the Heart** - recognize achievement, celebrate individual milestones, and engineer opportunities for supportive interaction

² Kouzes, James M., and Barry Z. Posner. 1995. *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations*. San Francisco, CA: Jossey-Bass.

In summarizing their findings from 30 years of research and thousands of case studies, Kouzes and Posner reached this foundational conclusion:

Leadership is a relationship between those who aspire to lead and those who choose to follow. It's the quality of this relationship that matters most when we're engaged in getting extraordinary things done. A leader-constituent relationship that's characterized by fear and distrust will never, ever produce anything of lasting value. A relationship characterized by mutual respect and confidence will overcome the greatest adversities and leave a legacy of significance.

- 4) **Recruit and Hire New Leaders.** Continue and prioritize efforts to fill current vacant leadership positions using defined leadership qualities and skills as a recruitment guide. Actively pursue qualified candidates from within other local, state and federal health agencies, and also consider health industry professionals with diverse background. Note that roles for newly recruited Field Operations Branch Chiefs may need to be adjusted based on decisions related to organizational restructuring (Recommendation #5).
- 5) **Evaluate Leadership Team Members' Performance Ongoing.** On an ongoing basis, assess whether the members of the leadership team are still the right people for the organization in the context it is operating. If change is necessary, take expedient and decisive action, and facilitate a dignified exit from the leadership team. When practical, identify opportunities that allow the organization to continue benefiting from the expertise of former leadership team members. In many cases, former executives or supervisors can be placed successfully in key technical and subject matter expert roles within the organization. Ideally, the majority of people who have left their executive role will retain positive feelings about the organization.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Define desired leadership qualities, competencies, and skills.	
2. Communicate expectations for executive leaders.	

3. Begin leadership development sessions for executive team to be provided by a contracted expert.	
4. Fill vacant Deputy Director and Assistant Deputy Director positions.	
5. Develop process for evaluating ongoing performance of leadership team member performance.	

* *Target dates will be set by the Project Team and approved by the Executive Council.*

This recommendation may be considered complete when all vacant senior management positions are filled permanently with individuals who meet defined leadership qualifications; leadership development training has been completed; leadership qualities, competencies and skills have been defined and communicated; and a process for ongoing evaluation of executives' performance is in place.

RECOMMENDATION #2

Create a Change Management and Governance Structure

Transformational change is difficult and complex. Many, if not most, organizational change initiatives fail to achieve full implementation and their desired impact. However, while transformational change is not easy and is often disruptive, the alternative for L&C – doing nothing or implementing superficial "quick fixes" – ultimately will fail to meet the needs of its internal and external stakeholders. Effective change management is critical to the full implementation of sustainable change, and developing its internal capacity for implementing rapid and lasting change should be a high priority for L&C.

Change management and governance are an ongoing discipline that will support improved alignment with organizational priorities and strategic objectives. Rather than approaching these recommendations as a set of independent initiatives or projects, it is critical to think about the broader journey that L&C is undertaking. This is a hands-on, collaborative endeavor involving key individuals from across the organization. Formalizing and managing the teams required to execute meaningful change can help put plans into action. Establishing a comprehensive change management and governance structure also can help to "connect the dots" between seemingly disparate projects and processes.

Recommendation #2, to create a change management and governance structure, provides a foundation for all other recommendations, should be started immediately, can be completed within six months, and includes the following actions:

- 1) **Establish an Executive Governance Council.** This council will include key executives from CDPH and L&C Program management teams. Transformational change requires integrated oversight of a complex portfolio of initiatives and close cooperation of multiple functions to be successful. Existing governance entities may be leveraged and expanded to include this function.

-
- 2) **Acquire Change Management Expertise.** Individuals with change management skills will support the Executive Governance Council and advise on the coordination, timing, and oversight of all change initiatives. Applying these skills will increase the certainty of reaching the desired goals and will also help to build change capabilities for L&C leaders. This individual or group of individuals would support development of the governance structure and training described below.
 - 3) **Provide Change Management Training.** All Executive Governance Council members will participate in training focused on change management utilizing a proven best practice such as John Kotter's 8-step change model.³
 - 4) **Design and Implement a Governance Structure and Project Team for each Recommendation.** A system-wide approach to change management and governance will consist of establishing project teams to support implementation of these recommendations, some of which also will assist with other improvement opportunities identified in the future. While some teams may be overlapping, some individuals may be on multiple teams, and some initiatives may address related issues, each project must be tracked and governed as a unique set of activities. The structure, process, and governance of these teams will incorporate the following proven best practices:
 - a) Designate a sponsor who is the senior executive responsible for communication, collaboration, and sharing best practices. The executive sponsor's role is to provide vision, direction, ensure adequate resources are allocated, provide executive authority to overcome organizational barriers, and empower the project team to make decisions.
 - b) Assign a project manager who will be responsible for coordinating all meetings, tracking actions, coordinating interventions, etc.
 - c) Create a project team for each recommendation that is comprised of L&C representatives from various internal stakeholder groups including mid-level managers and front-line staff most impacted by the specific change initiative.

³ Kotter, J.P. 2012. *Leading Change*. Boston, MA: Harvard Business Review Press.

The goal is to have adequate representation of subject matter expertise to ensure the broadest possible perspective. Reach out to stakeholders who have not been represented in the past.

- d) Enlist external subject-matter experts as needed to provide support in developing the plan and to support implementation.
- e) Create a brief charter that describes responsibilities, objectives, members and operating procedures for the team.
- f) Create a vision that defines outcomes of the team's efforts with specific, tangible and measurable targets, timeframes or requirements.
- g) Review the L&C future state, current state, and gaps described in the Hubbert Systems Assessment and Gap Analysis report; and identify additional or new information that is relevant.
- h) Conduct temporary focus groups and form teams to listen to current managers and supervisors share their ideas about what works, what doesn't, and current best practices. Seek input from stakeholders and identify the best way to address their input.
- i) Create a detailed plan to include specific activities to be undertaken over an agreed-upon timeframe. Refer to recommendations for incorporating L&C best practices provided in the Hubbert Systems reports (e.g., "Strengths" in the Assessment and Gap Analysis, and references provided in the Remediation Recommendations).
- j) Develop a communication plan to ensure all persons that are involved in and those whose interests may be impacted by implementation each project are kept informed and have a mechanism for offering suggestions and feedback.
- k) Use a framework for ensuring the effectiveness of improvement efforts, which may include the Plan-Do-Check-Act improvement methodology to develop, test,

and implement change.⁴ This includes establishment of processes to proactively monitor and make adjustments to the plan.

- I) Establish performance measures, set specific training targets, and establish an ongoing reporting process for review by the Executive Governance Council.

Creating a change management and governance structure for implementing improvements may be informed by recent CDPH efforts aimed at applying for accreditation. This was a comprehensive, system-wide, and cross-functional initiative that required executive sponsorship, project management, and subject matter expertise. It may be possible to leverage lessons learned and key processes from this recent successful Department-level initiative. In addition, maintenance and support of these governance principles will require constant attention, and the proposed expansion or creation of a L&C Performance Management and Improvement function (Recommendation #8) is intended to sustain ongoing capabilities for ensuring continuous improvement.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Establish Executive Governance Council and conduct first meeting.	
2. Secure change management expertise and create governance framework.	
3. Complete Change Management training.	
4. Select an executive sponsor and project manager for each improvement team	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation may be considered complete when an Executive Governance Council has been established, trained in change management, and assignment of an executive sponsor for each improvement team has been made. In addition, a written change management plan that

⁴ "Testing for Improvement", U.S. Department of Health and Human Services, Health Resources and Services Administration, accessed June 2014, <http://www.hrsa.gov/quality/toolbox/508pdfs/testingforimprovement.pdf>

defines the structure, governance, and processes for implementation of all recommendations will be in place.

RECOMMENDATION #3

Expand External Stakeholder Engagement

Stakeholder engagement is a critical process that helps organizations better understand their key impacts, identify their risks, and enhance their ability to develop innovative solutions to challenges. Although stakeholders may include people or groups within or outside the organization who are affected by the organization's activities, this recommendation is focused on external stakeholders. Engaging with and responding to these external stakeholders helps to establish credibility and support for an organization's operations.

During the initial assessment, several key L&C external stakeholders noted that communication and collaboration with Program leaders and managers could be improved. For example, L&C could increase its engagement and collaboration with external stakeholders in establishing, reporting, and updating process or outcome measures for the Program.

Key steps to expand and improve L&C's current external stakeholder engagement efforts should begin within one month, the structures for which could be within one year, and will include the following actions:

- 1) **Establish Project Team.** This is described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure.
- 2) **Catalog Stakeholder Needs.** Conduct a stakeholder analysis to identify unaddressed concerns, issues, or priorities. Assess perceived gaps in the current communication and collaboration processes.
- 3) **Formalize and Expand Upon Established Stakeholder Meetings.** Build on relationships and enhance processes currently in place for periodic provider meetings. Create guidelines for discussion, expectations about meeting periodicity, meeting duration, logistics (e.g., criteria for using conference calls vs. webinars vs. in-person meetings),

timeframes for feedback, and dissemination of meeting notes. Verify adequate representation for provider types that the Program oversees, establishing separate forums as necessary.

- 4) **Track Actions.** Collaboratively identify priority issues to address and identify goals. Prioritize recommendations with a diverse set of stakeholders in order to ensure priority recommendations will be championed. Be informative and proactive and follow through on commitments.
- 5) **Centralize Stakeholder Communication.** Assign a designated unit within L&C to coordinate and manage all stakeholder engagement activities (this entity could be part of the proposed Performance Management and Improvement Section described in Recommendation #8). Identify a skillful facilitator for the stakeholder meetings who is respected in the community in order to move the agenda forward and respect all perspectives. Be responsive to stakeholder feedback and need for information. Collaborate with CDPH Public Affairs staff in these communication efforts.

Engaging external stakeholders for improved collaboration will contribute to the success of L&C's strategic planning and performance management efforts. For example, external stakeholders should be invited to participate in adjunct strategic planning sessions and be invited to provide perspective and support for priorities when identifying strategic objectives. External stakeholders can also play an active role in designing dependable key performance indicators and establishing processes for reporting on both process and outcome measures. For the other recommendations described in this document, it will be important to provide an overview and updates to external stakeholders on a regular basis.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Complete external stakeholder communication and collaboration needs assessment and analyze results.	
3. Formalize provider advisory committees through collaboration	

agreements.	
4. Create an issues and actions log for each stakeholder group.	
5. Create a designated unit to facilitate all external stakeholder communication and collaboration.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation may be considered complete when a designated external stakeholder unit and long term care and non-long term care advisory committees are meeting regularly. In addition, a meaningful number of items tracked in the stakeholder issues log will be satisfactorily resolved.

RECOMMENDATION #4

Develop and Implement a Strategic Plan

It's difficult to achieve anything without a plan. A strategic plan is the formalized road map that spells out where an organization is going over the next year or more and how it's going to get there. It is also a management tool that serves the purpose of helping an organization do a better job by focusing the energy, resources, and time of everyone in the organization in the same direction.

The process of strategic planning can be as important to an organization as the results. Strategic planning can be an especially valuable process when it includes employees in all areas of an organization and at all levels of responsibility. Participants in the process consider how their activities, responsibilities and potential contributions fit into the larger picture. The nuts and bolts of the strategic planning process are expressed in measurable goals and objectives.

The Association for Strategic Planning (ASP), a U.S.-based, non-profit professional association dedicated to advancing thought and practice in strategy development and deployment, has developed criteria for effective strategic planning which include the following:⁵

- a. Uses a systems approach that starts with the end in mind;
- b. Incorporates change management and leadership development;
- c. Provides actionable performance information to better inform decision making;
- d. Incorporates assessment-based inputs of the internal and external environment, and an understanding of customers and stakeholder needs and expectations;
- e. Includes strategic initiatives to focus attention on the most important performance improvement projects;
- f. Offers a supporting toolkit, including terminology, concepts, tools and techniques that are flexible and scalable;

⁵ "Best Practices for Qualifying Strategic Planning & Management Frameworks", Association for Strategic Planning, accessed June 2014, http://www.strategyplus.org/asp-certification/pdfs/ASP_Detail_Strategic_Management_Best_Practices.pdf

-
- g. Aligns strategy and culture, with a focus on results and the drivers of results;
 - Integrates existing organization systems and align the organization around strategy;
 - Is simple to administer, clear to understand and direct, and delivers practical benefit over the long-term;
 - Integrates existing organizational systems and aligns the organization around strategy; and
 - Incorporates learning and feedback to promote continuous long-term improvement.

While CDPH has developed a strategic plan, this alone is not adequate in guiding the transformational changes the L&C Program is undertaking. The L&C Program would benefit from establishing strategic goals that it clearly identifies, communicates, and links to organizational and individual performance management.

There are many different frameworks and methodologies for strategic planning and management. While there is no one "right" framework, most follow a similar pattern and have common steps. The benefit of using a disciplined framework is that it will give L&C a way to align the projects and programs that people are working on, the measurements being used to track success, the strategic objectives the organization is trying to accomplish, and the mission, vision and strategy of the organization.

Development of a strategic plan should begin immediately, can be completed within four months and will include the following key actions:

- 1) **Plan for Planning.** To prepare for an organized and effective strategic planning process, L&C will begin by performing the following planning steps:
 - a. Create a Strategic Planning Committee to include key internal and external stakeholders.
 - b. Clarify Roles and Responsibilities.

-
- c. Define the process and framework that will be used making sure to link L&C efforts with existing CDPH strategic planning.
 - 2) **Acquire Strategic Planning Expertise.** A strategic planning expert can support L&C's Strategic Planning Committee by advising on the process and framework for strategic planning and can facilitate all planning sessions. This expert will increase the certainty of completing the process and will also help to build strategic planning capabilities for L&C leaders.
 - 2) **Articulate Mission and Vision.** The mission statement summarizes the what, how, and why of an organization's work. A vision statement presents an image of what future success will look like. These statements will create a shared, coherent idea of what L&C is strategically planning for. The result of this step in the strategic planning process is a draft mission statement and a draft vision statement. Ensuring alignment with the CDPH mission and vision is also important to consider.
 - 3) **Assess Where You Are.** This step involves obtaining current information that will highlight the critical issues that L&C faces and that the strategic plan must address. The result of this step in the strategic planning process is a list of key strengths and opportunities for improvement the organization needs to deal with. The Hubbert Systems Initial Assessment and Gap Analysis can be used to inform this comprehensive assessment.
 - 4) **Decide What's Most Important.** L&C leaders, along with the Strategic Planning Committee, choose the most important issues to address. The L&C Strategic Planning Committee will agree on no more than five to ten critical issues around which to organize the strategic plan. Priority issues that require the full and immediate attention of the management team are determined, including both the broad approaches to be taken (strategies), and the general and specific results to be sought (the goals and objectives). The product of step four is an outline of the L&C's short and long-range goals, and specific objectives of its response to critical issues. Hubbert Systems recommendations for an L&C "Strategy Map" are included in the Appendix.

-
- 5) **Design Measures.** Performance measures are developed for each of the strategic objectives identified in step four. Targets and thresholds are established, and baseline and benchmarking data is developed. Refer to recommendation #6 (Key Performance Indicators) for more detail.
 - 6) **Put it in Writing.** Draft a final strategic planning document and submit it for review to all key decision makers. Consult with key staff and stakeholders to determine whether the document can be translated into operating plans and to ensure that the plan answers key questions about priorities and directions in sufficient detail to serve as a guide.
 - 7) **Get Specific.** Specific Initiatives are developed that support the strategic objectives. The organizational level L&C strategic plan is translated into branch, section and unit level plans translating high-level strategy into lower-level objectives, measures, and operational details to linking day-to-day work with L&C goals and vision. An emphasis on results and the strategies needed to produce results is communicated throughout the organization. Accountability follows as ownership is defined at each level.
 - 8) **Review and Evaluate.** To ensure the plan performs as designed, L&C will hold regularly scheduled, at least quarterly, meetings for formal review and refinements of the strategic plan. L&C leaders will try to answer questions such as, "Are our strategies working? and "Are we measuring the right things?" A separate entity should track and report on progress toward strategic plan goals and objectives, such as the newly recommended Performance Management and Improvement Section (Recommendation #8).

Developing a strategic plan is one of the primary and most important responsibilities of an executive leadership team and should be completed in collaboration with both internal stakeholders throughout the organization as well as external stakeholders (Recommendation #3). It is an essential element of all performance measurement and management activities (Recommendation #7). For example, key strategic objectives identified during the strategic planning process will each have specific measures and targets that will form the foundation of

the performance management system and related dashboards. Ultimately, all recommendations will be linked to the L&C strategic plan.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Create Strategic Plan Charter and Work Plan.	
2. Select strategic planning expert.	
3. Complete the work plan for strategic planning.	
4. Review current state, define mission and vision, agree on objectives and targets.	
5. Link all current improvement initiatives, new initiatives, and Hubbert Systems recommendations to strategic objectives.	
6. Communicate strategic plan to all L&C staff.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation may be considered complete when an L&C strategic plan including strategic objectives, measures, targets, and specific initiatives has been developed and communicated throughout the organization. In addition, there must be a plan and a clearly defined process for annual strategic planning.

RECOMMENDATION #5

Restructure L&C for Increased Efficiency and Accountability

Organizational design is the process of aligning an organization's structure with its vision and mission. This means looking at the complex relationship between tasks, workflows, responsibilities and authorities, and making sure these all support the overall vision and mission. Organizational redesign for the L&C Program has the opportunity to support improved communication, productivity, and innovation and help to create an environment where people can work effectively.

Organizing principles that will support accountability in the L&C Program include:

- **Clarity:** Roles and responsibilities are clearly defined with limited overlaps of responsibilities to avoid confusion and increase efficiency (e.g., by reducing potentially duplicated functions).
- **Doable Roles:** The number and level of responsibilities is balanced with skills, competencies and resources made available.
- **Empowerment:** Decision-making authority is made explicit and is commensurate with responsibilities in order to empower people to be innovative and take an appropriate level of risk.

The L&C Program has several opportunities for improved alignment between organizational structure and function. In some cases, there is overlap and confusion regarding roles and responsibilities. For example, the L&C Program leaders have identified opportunities for decreasing processing times, eliminating redundant processes and standardizing procedures by restructuring and work redesign in the Centralized Applications Unit. In other areas, formalizing structures for key organizational functions could facilitate improved performance. For example, L&C would benefit from a defined entity within the L&C organizational structure that is responsible for performance measurement, management, and improvement.

Aligning structure and strategy includes creating and defining functional accountabilities for individual roles or positions. For example, the Field Operations Branch Chief is a challenging role with significant demands and for which an improved organizational structure could provide better role clarity, promote empowerment, and increase opportunities for matching managers' skills with assigned responsibilities.

There also is a need for a more clearly defined organizing principle that describes how district office assignments and regions are determined. Applying these organizing principles could result in more equitable distribution of work and resources, which contributes to overcoming the challenges the Program faces in workforce planning (Recommendation #10).

Organizational design plays an integral role in achieving organizational goals and objectives in creating structures, roles and accountabilities to support strategy. Thus, a natural next step to the strategic planning process (Recommendation #4) is to conduct a formal review of structure, roles, and accountabilities to ensure effective alignment of resources and strategic objectives. Implementation of the L&C Program restructuring should begin within three to six months, can be expected to take six months to complete the planning phase, one year for full implementation (depending on control agency approvals), and should include the following actions:

- 1) **Establish Project Team.** This is described in Recommendation #22 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure.
- 2) **Define Organizing Principles.** Assess the L&C Program structure for alignment with the mission and goals of the organization. Evaluate current structure to determine where there might be missing functions, inequitable distribution of work, and redundancies in work functions. Developing a mission statement for each major function helps to identify and define key elements of that function including key responsibilities and

accountabilities, key roles, and internal and external relationships. Then, looking at all functional areas together will ensure all key Program requirements have been identified and assigned.

- 3) **Engage L&C Employees.** It is important to note that while senior management can develop the organizational framework, the actual structure is usually best developed by informing employees about overall strategy and actively engaging them in the redesign. The more participative the process, the better the ideas and the higher the morale is likely to be when it is completed. Involve employees from all levels in the planning stage. Solicit feedback from key front-line managers and employees to gain deeper insight into practical operational issues. Invite one or two influential and knowledgeable front-line employees to participate in planning meetings.
- 4) **Communicate.** Communicate progress on this initiative across the organization regularly. Explain thoroughly the reasons for the change, as well as the benefits that the change will afford to individual Departments and employees. Hold at least two meetings to detail the change. Send out an email further describing the change and how it will affect employees at all levels of the organization. Maintain an intranet site to which employees can be directed to read about changes and track progress.
- 5) **Implement in Phases.** Roll out the change incrementally, e.g., one major function or region at a time, to identify and address logistical issues early. Alter implementation plans if necessary after the first phase of reorganization. In addition to the general approach to realigning functions within L&C described above, specific recommendations for restructuring include the following:
 - a. **Combine Complementary Functions.** Align the Staffing Audits Section with Field Operations to support improved information sharing and collaboration in nursing home oversight. Consider moving HAI to another Center that may be a better fit for its purpose and function, e.g., Center for Infectious Diseases.
 - b. **Establish an LA County Oversight Section.** Refer to Recommendation #6 below.

-
- c. **Accelerate CAU Redesign.** Proceed with plans to engage a consultant to assist with restructuring and work redesign for the Centralized Applications Unit.
 - d. **Establish Performance Management and Improvement Section.** Create a defined entity within the L&C organizational structure that is responsible for performance measurement, management, and improvement. This is described in more detail in Recommendation #7, which outlines enhancements to the Program's capacities for managing performance improvement activities.
 - e. **Redesign and Expand Training Section.** Create a Training and Staff Development Section that support the development of training for all L&C staff. This action is expanded upon in Recommendations #13-16, which address improvements to the Program's training capabilities.
 - f. **Evaluate Branch Chief Responsibilities.** Conduct a thorough Job Analysis for the Field Operations Branch Chief position to address the need for role clarity, skill requirements, appropriate work assignments, availability of support resources, geographic parity, and empowerment for decision making.
 - g. **Perform Policy and Enforcement Branch Work Studies.** Conduct Job Analysis for Policy Section and RN Unit to ensure an optimal match of responsibilities and skills, competencies and resources to support improved recruitment, retention, and productivity in updating policies.
 - h. **Address Variation in Regional Assignments and Workload.** Examine geographic area and volume for each district office to improve oversight, promote collaboration for resource sharing, and facilitate the sharing of best practices. Address variation in facility counts per district office to support adequate staffing system-wide. See additional workforce planning actions in Recommendation #10.
 - i. **Standardize Work Assignment Methodologies.** Evaluate how work is assigned in the district offices and identify best practices to inform standardized work

processes. This is addressed in detail in Recommendation #18 which addresses implementation of Lean Thinking methodologies for key work processes.

There are a variety of alternative structures that would result from a re-organization of the Program's functions. As described above, one of the important first steps is to establish organizing principles to guide placement of these functions. The following is an example of how a set of organizing principles, cast in three complementary areas of focus, would impact the placement of various L&C business functions:

- **District Offices:** The first column of the Program would be responsible for oversight of providers traditionally monitored by district offices. Monitoring and support of district offices would be aggregated into a handful of regional groupings of roughly similar workload, which field operations branch chiefs would oversee. LA County would require separately focused monitoring and support. It may be worthwhile considering the incorporation of some functions not assigned to specific districts into the district office workforce, especially for those functions complementary to the oversight of providers typically under the purview of the district offices. Examples of these functions include Staffing Audits, Life Safety Code, Emergency Preparedness and Disaster Response, and the various Consultant units.
- **Statewide Programs:** The second column of the Program would be responsible for providers traditionally overseen from headquarters. In addition to the Professional Certification Branch, functions that may be well-suited for this column include the Centralized Applications Unit and the State Facilities Unit. Should the Healthcare Associated Infections group be retained in L&C, this column would be a natural fit.
- **Program Support:** This third column would provide technical support to the district and statewide provider oversight functions in the first and second columns. The Policy and Enforcement functions would be managed from this column, as would the Resource & Operations Management functions and Field Operations Support. One major function of this column would include the newly recommended entity focused on performance

improvement activities (see Recommendation #7). The performance improvement entity would include the current Research function (however the Staffing Audits could be transitioned to the District Office column). Staff Education and Quality Improvement would be part of this new performance improvement group.

Milestones and outcomes for this recommendation include the following:

<i>Milestone/Outcome</i>	<i>Target Date*</i>
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Define major L&C functions.	
3. Recruit members of advisory team and evaluate reorganization priorities.	
4. Create communication plan and schedule staff meetings.	
5. Secure approvals and implement initial reorganization step.	

** Target dates will be set by the Project Team and approved by the Executive Council.*

This recommendation will be considered materially complete when restructuring efforts have been fully implemented and an ongoing plan for evaluating organizational design and structure has been incorporated into the annual strategic planning process.

RECOMMENDATION #6

Overhaul Approach for LA County Workload Management and Oversight

L&C contracts with Los Angeles County (LAC) Department of Public Health, Health Facilities Inspection Division (HFID), to license and certify health care facilities located in this region. Los Angeles County represents nearly one-third of the total statewide workload volume for the L&C Program. Thus, effective contract administration and oversight is essential to ensuring the mandates and goals of the L&C Program are met. Timely delivery of quality services, responsiveness to corrective actions to problems, compliance with all agreed upon terms and conditions, and deployment of effective change management practices are the critical components of effective contract oversight.

The Initial Assessment and Gap Analysis identified opportunities for improving oversight for the LAC contract, including development of a comprehensive, well-coordinated contract administration and monitoring plan. Also identified were the opportunities to implement a more clearly defined supporting structure for improved collaboration, communication and contract oversight. These enhancements would include contract enforcement and remediation mechanisms could help ensure improved compliance. In addition, the opportunity to revisit assignment of roles and responsibilities focused on LA County oversight is consistent with a CMS requirement stated in its April 21, 2014 letter to "install a temporary management monitoring team" to support dedicated improvement efforts for LA County.

This also means that during the process of redesigning and restructuring as described in Recommendation #5, contract management and administration functions for the LA County contract should also be addressed. Specifically, the job analysis for the Field Operations Branch Chief position will be germane to the discussion of managing the LA County contract. In addition, the development of performance measurement and reporting infrastructure will need to include a focus on providing accurate and timely data for monitoring performance by LA County.

In addition to and in support of these requirements, the L&C Program should begin immediately to implement the following actions based on federal and state contracting guidelines,^{6,7} which are expected to take 6-12 months to complete.

- 1) **Establish Project Team.** This is described in Recommendation #2 2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure.
- 2) **Assign Contract Manager and Support Staff.** Designate a dedicated Contracting Officer/Manager and key support staff whose function is exclusively dedicated to oversight of the LAC contract. Delineate roles and responsibilities as is required for all Department functions and personnel duty statements. Considering the size of the contract and the number of facilities LAC is responsible for, we recommend that there should be a fully staffed unit focused exclusively on LAC oversight. These staff should be located in LA County to optimize accessibility and support close collaboration.
- 3) **Provide Training.** Provide contract administration training for Contract Officer/Manager and support staff. This training would include developing a plan for contract administration, monitoring contractor performance, identifying performance deficiencies, selecting and pursuing formal contract remedies and other problem resolution strategies and techniques.
- 4) **Develop a Contract Administration Plan.** Develop a plan to be used as a tool for monitoring performance and adherence to contract terms. Elements of this plan would include the level of contract surveillance, delegation of contract administration functions, and responsibilities of L&C and LAC personnel.
- 5) **Maintain a Centralized File.** Maintain a centralized, preferably online, file that contains all contract documentation including contract modifications, all correspondence,

6 "A Guide to Best Practices for Contract Administration", Office Of Federal Procurement Policy, U.S. General Services Agency, accessed June 2014, <http://www.acquisition.gov/bestpractices/bestpcont.html>

7 "State Contracting Manual", Procurement Division, Department of General Services, accessed June 2014, <http://www.dgs.ca.gov/pd/Resources/publications/SCM2.aspx>

inspection reports, memos and conversations with LA County, invoices and financial reports. This repository should be easily accessible to all contract administration staff and managers, and it should support internal communication and planning.

- 6) **Develop and Implement a Joint Partnership Agreement.** This document will define how the parties will work together and would describe mutual goals, milestones for actions to be taken by each party, potential barriers to success and mitigation strategies, measures of LA County's performance, and dispute resolution processes. Specific performance measures and targets would be included in the document. This Agreement also would describe options for implementing financial sanctions if LA County is not meeting agreed upon performance expectations.
- 7) **Develop LAC Performance Monitoring Tools.** Based on the performance requirements described in the Partnership Agreement, a structured plan should be implemented for ongoing monitoring to ensure services are performed according to the quality, quantity, objectives, timeframes, and manner specified within the contract. Some of these performance measures would be developed as part of implementing L&C Key Performance Indicators (Recommendation #7) described later in this document.
- 8) **Implement a Quality Assurance (QA) Surveillance Plan.** This plan will describe a structured method for evaluating performance to include pre-planned on-site inspections and random unscheduled on-site inspections. In addition to scheduled and unannounced inspections, the plan will focus on the quality of outcomes such as compliance with federal and state mandates and be included in L&C's key performance indicators described in Recommendation #7.
- 9) **Meet Regularly.** Convene monthly meetings with LA County HFID and L&C Program leaders to discuss LA County performance. The agenda for this meeting would include a review of LA County's performance on L&C's key performance indicators, challenges and barriers, financial reports, staffing, and training needs.
- 10) **Create Turnover Contingency Plan.** Should LAC not be able to fulfill its obligations to L&C sustainably, or should the parties not be able to reach an agreement on the

updated terms of a partnership, L&C will need to be able to assume responsibility for the activities previously delegated to LAC. Develop a plan of action describing timeframes, resources and activities required

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Create a LA County Contract Management Section (Recommendation #4), including Contract Manager and support staff.	
3. Provide contract administration and Program specific training.	
4. Finalize a contract administration plan.	
5. Set up an online, centralized file for all LA County contract documentation.	
6. Execute Joint Partnership Agreement between L&C and LA County.	
7. Submit initial period LAC performance report, including metrics.	
8. Describe QA Surveillance Plan policies and procedures.	
9. Conduct initial periodic meeting between new L&C Contract Manager and LA County HFID leaders.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation may be considered complete when all work performed by LA County on behalf of the L&C Program is overseen by a defined organizational entity that leads, plans, schedules, coordinates, communicates, tracks, evaluates, reports, and corrects, as necessary. Interim milestones include identifying a contract officer/manager and key support staff, completion of a contract administration plan, development of key performance measures and related reports, and the scheduling of regular meetings.

There are a few alternatives in the implementation comprehensive contract oversight for LA County. One option, however, was mentioned in HFID's response to the LA County Auditor's report indicating the possibility of relinquishing the contract. As described above, the L&C Program must be prepared to implement a plan to take over all L&C functions in LA County should this occur. Upon further consideration of the outstanding LAC performance issues, L&C also may wish to preemptively execute this option, and having a pre-approved plan in place

would provide the Program with the security, flexibility and authority to take on these additional responsibilities should it appear unlikely that LAC is able to perform its required functions reliably.

RECOMMENDATION #7

Establish and Monitor Key Performance Indicators

Several capability gaps identified during this assessment pointed to the lack of a common, centralized collection of metrics tied to L&C performance priorities. For example, the Strategic Planning Performance Management, Performance Improvement, Organizational Design, Communication, and Organizational Culture sections of the previously delivered Assessment and Gap Analysis report described a future view of L&C operations in which it had sustainably implemented measureable performance indicators. The report also described the benefits of creating metrics, distributing reports, and updating progress toward meeting organizational performance targets, including the establishment of a single source of data and reporting for performance assessment; more efficient use of resources devoted to analytics; and sustainability of ongoing performance analysis capabilities. An example of a State agency that uses an ‘evidence-based’ approach to performance management is the California Correctional Health Care System, which publishes detailed monthly performance reports on its internet site.⁸

L&C’s portfolio of measureable key performance indicators (KPIs) should be based on the outcome of its strategic planning efforts (Recommendation #4), an activity which is a predecessor to establishing and monitoring KPIs (alternately, a pilot collection of KPIs approved by L&C Executives could be established in parallel with ongoing strategic planning efforts). A related initiative to this KPI work is the expansion of L&C’s organizational performance improvement capacities (Recommendation #8), as KPIs can be used to identify potential performance improvement initiatives. These dependencies are described elsewhere among the recommendations in this deliverable. The ownership of KPI-related activities described in this section could rest in the current Staffing Audits and Research Branch, however L&C Executives

⁸ “Health Care Services Dashboard”, California Correctional Health Care Services, accessed June 2013, <http://www.cphcs.ca.gov/dashboard.aspx>

and an expanded Performance Improvement Section will play a key role in validating measurement and reporting requirements.

The Program currently is in the process of considering the feasibility of options for the development and maintenance of a L&C ‘Dashboard.’ In addition, the Program has submitted several reports to external stakeholders and control agencies that provide tables of performance indicators. Also, the Program devotes considerable resources responding to ad hoc reporting request from these same external stakeholders. These efforts, and the resources devoted to them, should be consolidated as part of this KPI recommendation.

Implementation of the preliminary phase in a KPI initiative is expected to take six to twelve months, should start immediately, and will include the following actions:

- 1) **Establish KPI Project Team.** This is described in Recommendation #2 2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure.
- 2) **Clarify Program Priorities.** In the handoff from the Strategic Planning process, or in anticipation of its successful completion, Program executives will verify the goals and objectives for which performance metrics are required. These priorities ultimately will be translated into a portfolio of measures that evaluate resource management, process efficiency, and Program outcomes.
- 3) **Select KPI Starter Set.** Based on stated L&C priorities, a handful of metrics will be selected with which to pilot an initial KPI phase. Note that measure selection may be impacted by the results of data quality validation (see below). Based on known L&C priorities and data quality, a proposed list of measures that could be selected for this initial phase is included in this report’s Appendix.
- 4) **Document Reporting Methodologies.** Staff will describe the data sources and calculations used to create the proposed measures. Documentation must be adequate

to provide new research-level staff with enough detail to be able to replicate the measurement process with limited assistance from peers or managers. The descriptions also will include language that could be included in documents provided to internal or external stakeholders who may not be familiar with the specific data sources used to calculate the measures. Because some of the process to generate the KPIs may evolve over time, staff responsible for the measure specifications, calculations and reporting medium regularly will update the documents that describe the process by which the KPIs are generated and reports are distributed. Again, it is essential that the level of detail must be sufficient to provide new research-level staff with instruction adequate to allow for mostly independent execution of the reporting steps.

- 5) **Set Performance Targets.** Based on regulatory expectations, external benchmarks, or internal best practices, Program executives will verify targets for each measure. These targets should allow for some failure tolerance and should provide some gradation that evaluates performance that is ideal vs. acceptable vs. unacceptable. For example, although 100% of complaints should be investigated timely, the Program also should establish the upper and lower bounds (e.g. 5-15%) for an acceptable proportion of complaints that are not investigated within required timeframes.
- 6) **Acquire Data and Validate Data Quality.** Although most data may be available from electronic sources, some may be submitted based on hand-tallies or audit samples. Staff will examine these data for completeness, accuracy, timeliness and reasonability to ensure that they are usable for the proposed KPIs. Note that the results from this step may impact measure selection (see above) if data quality cannot be readily assured. Data reliability assessment and improvement also is discussed in the recommendation addressing information technology improvements (#19).
- 7) **Perform and Update Measurements.** Using the previously developed measure specifications, staff will use various tools to extract, transform and compile data into the intended measures. Based on initial findings and data quality results, measurement specifications may need to be updated to more accurately reflect the calculation

process. For example, a performance outlier may be explained by a factor that should have been considered in the methodology, which may be revised to account for the factor's previously unforeseen impact on the measurement results.

- 8) **Analyze and Display Results.** Staff will create visual presentations of the data that highlight trends, comparisons among district offices, outliers, and performance against targets. Brief narrative will be constructed to explain key findings on relative performance. An example of a “Dashboard” using the proposed KPI Starter Set is included in this report’s Appendix. Note that some of the recommended metrics may require CMS approval before they are posted publicly.
- 9) **Package for Distribution.** The text and graphics resulting from the process above will be prepared in a deliverable that is amenable for electronic distribution. The completeness, accuracy and readability of the final package will be evaluated by selected internal stakeholders before it is distributed more broadly. This is the point at which the work product is handed off to those responsible for organizational communication or governance of quality improvement initiatives, as the product resulting from this process will be used to both update internal or external stakeholders on performance as well as feed into the Program’s performance evaluation and improvement structures.
- 10) **Regenerate KPIs as Scheduled.** As described in the measurement specifications, these performance reports will be updated monthly or quarterly. Data quality will be continuously assessed, targets may be revisited, and methodologies could be updated throughout the subsequent reporting cycles. In addition, the Program may introduce additional KPI phases to include additional metrics in the KPI package.

Major interim milestones for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify an Executive Sponsor and Project Team (per Recommendation #2)	
2. Articulate Program priorities, either from Strategic Plan (Recommendation #4) or, in its absence, as determined by L&C Executives.	
3. Approve KPI starter set.	

4. Create reporting methodology and process document.	
5. Approve performance targets.	
6. Submit data quality report and action plan.	
7. Submit initial KPI measurement results.	
8. Prepare draft KPI report.	
9. Distribute KPI report.	
10. Approve final 'Dashboard' template, distribution schedule, and plan for adding new KPIs.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation may be considered materially implemented when the Program posts its initial Dashboard to the CDPH internet site.

There are a few alternatives in the implementation of KPIs for L&C. One option is for the Program to take a 'big bang' approach, in which the Program would work on the design, development, implementation and rollout of a comprehensive collection of KPIs following the completion of its initial strategic planning phase. A second option is to pilot the 'big bang' approach with a single district office before rolling it out statewide. The third option is to select a 'starter set' of statewide KPIs which the Program could build upon over time, and although it would not provide a broad portfolio of indicators and may not be directly linked to L&C's approved Strategic Plan (see Recommendation #4). Although the first big bang approach may be more likely to meet all stakeholder needs, it likely will significantly extend the time for stakeholders to see any meaningful or actionable data. The second KPI pilot option would provide a useful opportunity to test and refine the measures, but it also likely would require an extended timeframe and would not demonstrate the essential capacity for comparing performance between district offices. The third 'starter set' option would allow the Program to quickly demonstrate early successes with data management, reporting media and communication-related issues, upon which L&C could build over time. In addition, the third option could serve as a pilot effort that could occur in parallel with L&C's strategic planning activities.

RECOMMENDATION #8

Build Capacity for Ongoing Organizational Improvement

Performance Improvement involves incorporating learning and feedback to promote long-term improvement. Competency and skill in managing both small and large performance improvement initiatives is a key characteristic of high performing organizations. Typically, improvement initiatives are cross-functional and require simultaneous changes to process, technology, and even structure.

The initial Assessment and Gap Analysis revealed an opportunity to improve performance improvement and organizational learning capabilities. For example, the Program could implement better-defined process for identifying successful process improvement initiatives and facilitating the adoption of promising process enhancements elsewhere in the organization. In addition, L&C could develop practices and structures for coordination and collaboration, including a more formalized process for planning and problem solving. Improvements in these areas would enhance sharing of promising practices and standardization of business processes.

To optimally address current and future performance management needs, the L&C Program needs to establish an environment and build a system that is conducive to performance assessment and improvement. In developing performance improvement capability, L&C will need to move to a level of development in which strategic goals are communicated and deployed and where improvement activity is guided by a process of monitoring and measuring against these strategic objectives. Establishing a system of improvement that provides a framework for leading change needs to be a high priority for L&C.

The respected researcher and author, Peter Senge, in *The Dance of Change*⁹, asserts that a learning organization “is continually expanding its capacity to create its future.” For such an

⁹ Senge, Peter M. 1999. *The Dance of Change: The Challenges of Sustaining Momentum in Learning Organizations*. New York, NY: Currency/Doubleday.

organization it is not enough merely to survive. ‘Survival learning’ ... is important--indeed it is necessary.” But it “must be joined by ‘generative learning,’ learning that enhances our capacity to create.”

This recommendation is focused on addressing newly identified performance improvement efforts, while the governance and change management capabilities described in recommendation #2 are focused on implementation of the improvement activities described in this report. The need for this function also was described in the restructuring efforts outlined in Recommendation #5. The Program’s enhanced performance improvement capacities will be supported by reliable performance reporting, which is described in Recommendation #7. The activities associated with this recommendation’s activities may involve collaboration and communication with internal and external stakeholders (Recommendations #17 and #3 respectively). Also, L&C performance management and improvement capabilities will support business process redesign described in Recommendation #18 (Implement Lean Thinking for Key Work Processes).

Building capacity for performance improvement and organizational learning should start immediately, will take 12 to 18 months to implement, and will include the following actions:

- 1) **Establish a Project Team.** This is described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure.
- 2) **Acquire Performance Improvement Expertise.** Identify internal or external expert who have specialized on in quality improvement and organizational learning. This individual will lead performance improvement training, support ongoing improvement initiatives, and mentor L&C staff to build internal capacity.
- 3) **Create a Performance Management and Improvement Entity.** Assess staffing needs and redirect positions as needed for this new business unit within L&C. Recruit and hire

nurses and other staff with performance improvement background and experience. Plan for allocating a position at each District Office for a Performance Improvement specialist, preferably a nurse or other individual with quality improvement experience, who will act as a performance improvement liaison with the new Headquarters section.

- 4) **Catalog Current Capabilities.** Evaluate L&C's current quality/performance improvement capabilities by conducting an informal survey at headquarters and in each District Office to determine expertise and experience among existing staff members.
- 5) **Provide Education and Training.** The objective of this training will be to enhance performance improvement capabilities and to encourage collaboration by articulating new challenges that require staff to collaborate with others and stretch their thinking. Initially, this training will be provided for L&C executives and all staff in newly created Performance Management Section per Recommendation #5. Ultimately, performance improvement training will be incorporated into new employee on-boarding and training as well as regular on-going employee training (Recommendations #13-16).
- 6) **Deploy and Manage Improvement Activities.** Deploy individual and team improvement initiatives based on priorities identified as part of business process improvement and strategic planning efforts, which are described elsewhere in this document (Recommendations #18 and #4 respectively). The new Section will provide support and oversight for all activities, prioritize performance improvement efforts, and delegate/track them.
- 7) **Expand Audit Processes.** In addition to verifying that performance data are accurate (see Recommendations #7 describing Key Performance Indicators and #19 on Information Technology improvements), the Program needs to verify that its business processes follows established process standards and the output meets expected content, format, objectivity, timeliness and completeness standards. For example, to address unexplained variability of survey findings, a representative sample of survey findings should be thoroughly and independently reviewed for each district office. These audits not only would assess the completeness and accuracy of the survey

findings, they also would independently evaluate adherence to established survey reporting and timeliness standards. Audit results would be reported regularly, and lessons learned would be shared with all district offices.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Retain performance improvement expertise.	
3. Create a Performance Management and Improvement Entity.	
4. Catalog current performance improvement capabilities.	
5. Create performance improvement training plan.	
6. Develop tracking tools for manage improvement activities.	
7. Design audit policies, procedures and processes.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered completed when the Performance Management and Improvement Section has been formed, trained, and demonstrates the capability to lead and support QI/PI initiatives for the L&C Program.

RECOMMENDATION #9

Improve Hiring and Promotion Processes

In order to meet federal and state mandated workload requirements, the L&C Program requires a large and diverse staff who have the appropriate knowledge, experience, and skills to perform this demanding work. Efficient, timely, and effective processes for recruiting, hiring, and promoting staff are essential to the Program's success. Vacancy rates, particularly in the HFEN, HFE II supervisor, district administrator, and district manager positions must be kept at a minimum.

Vacancies in these key positions have been an ongoing challenge for the L&C Program. A period of 4-6 months appears to be the typical period of time required to complete the hiring process. Detailed logs kept by the L&C Program's Personnel Liaison Unit (PLU) reveal the average time from completion of the recruitment request form to the final step of the hiring process to have been an average of 77 business days (nearly 4 months) during the period from July 1, 2013, through December 31, 2013. There appear to be opportunities to reduce cycle times for processing supervisor testing results and paperwork for internal promotions.

Improving the processes for hiring and promotion is foundational for related workforce perspective recommendations. Specifically, a streamlined hiring process must be in place prior to launching a comprehensive HFEN recruitment campaign (Recommendation # 10). Other related recommendations include #16 - Improve communication and collaboration and #17 - Reengineer and streamline key work processes. In addition, the capacity for utilizing process improvement methodologies will contribute to the Programs capacity for performance improvement through collaboration and empowerment (Recommendation #7).

Improving hiring and promotion processes should begin within three to six months, can be expected to take three to six months to implement, and will include the following actions:

- 1) **Establish a Hiring and Promotions Project Team.** This is described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. This project team should include key process owners and stakeholders, which will include Human Resource Branch managers and staff, Personnel Liaison Unit managers and staff, headquarters supervisors and/or managers, district office supervisors, managers, and staff. Since HFEN recruitment is a key priority for the Program, HFEN involvement is strongly recommended.
- 2) **Define and Validate Current Processes and Timeframes.** Evaluate L&C's current hiring and promotion processes. Establish performance measures and targets for specific process steps of the hiring and promotion process.
- 3) **Identify and Implement Best Practices.** Identify best practices within L&C and among other state agencies and Departments. The Personnel Liaison Unit (PLU) currently tracks each step of the hiring and promotion process. In addition, Human Resource Branch (HRB) staff and support staff in the District Offices are engaged in various steps on the hiring process including tracking and monitoring. These efforts, and the resources devoted to them, should be evaluated for redundancies and opportunities to streamline and implement more efficient tracking systems. Using QI/PI methodologies to implement small tests of changes (e.g., Plan-Do-Check-Act cycles described in Recommendation #2, Create a Change Management and Governance Structure) and then observe and learn from the consequences to determine what modifications should be made system-wide.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Describe current process flows.	
3. Test changes, and roll-out documented process improvements.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered completed when the time to hire and promote L&C staff is decreased to an average of less than two months.

One alternative to the recommended approach is consolidation of the District Office, PLU, and HRB functions related to the hiring and promotion processes. As described in Recommendation #5 (Restructuring for Increased Efficiency and Accountability), this would involve conducting a formal review of structure, roles, and accountabilities to ensure effective and efficient use of resources for meeting strategic objectives. A similar approach was taken in consolidating IT for CDPH and lessons learned from that restructuring effort should be examined.

RECOMMENDATION #10

Develop a Staffing Model and Workforce Plan

L&C, a large Program consisting of about 1,200 managers and staff located at headquarters in Sacramento and 14 district offices throughout the state, is challenged by complex, overlapping, and sometimes conflicting relationships between tasks, workflows, responsibilities and authorities. Given these challenges, a comprehensive approach to workforce planning is critical to forecasting the necessary talent needed to ensure future success.

There is an opportunity to improve L&C workforce planning and staffing plan methodologies to ensure appropriate staffing levels across all district offices, which would reduce the unexplained variability in overall positions, HFEN positions and various staffing ratios, e.g., HFENs per facility, HFENs per 1,000 beds, Non-HFEN positions per HFEN. These updated approaches for identifying staffing need also would improve standardization in roles, responsibilities and processes for assigning work across the district offices.

The L&C Program utilizes a timekeeping system to capture and report workload data the collects surveyor activity and the total hours spent for each activity to determine the standard average hours it takes to accomplish a specific task. This information is used in the L&C Program's estimate process to determine the Program's fiscal needs for budgeting, in the annual Fee Report that sets licensing fees for all facility types, and to support the development of the annual CMS grant. In addition to this timekeeping system, staff are required to enter time in two other systems. The reliability of these data has been oft cited as the consequence of a burdensome process that requires staff to enter time in three systems.

The Program has reported an initiative is underway to improve timekeeping reliability that includes refresher training and a mandate for weekly input by staff. Ongoing monitoring and exception reporting also will be critical to this initiative's success.

This recommendation, to develop a staffing model and workforce plan, will be supported by efforts to improve the hiring process (Recommendation #8) and will inform the design and implementation a HFEN recruitment campaign/strategy (Recommendation #9). Recommendation #4 addresses improvement in L&C's organizational structure and is very much related to development of a rational staffing model. In addition, improved workforce planning will support the budgeting needs of the Program. It is also important to note that the strategic plan for the L&C Program (Recommendation #3) provides the vision, foundation, and direction for workforce planning.

This workforce planning recommendation will involve developing a current workforce profile and determining current and future workforce needs. This process should be implemented in 3-6 months, is expected to take 12-18 months to complete, and will include the following actions:

- 1) **Establish a Workforce Planning Team.** This is described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure.
- 2) **Create a Model:** Follow a well-established framework for workforce planning, and customize it utilizing the resources and tools available in the base model. The approach below is based on the CalHR Seven Step Model¹⁰ and includes the following steps:
 - a) **Review Strategic Plan.** Review the L&C mission, vision, and measurable goals and objectives, and timeframes for accomplishing them.
 - b) **Identify Work Functions.** Catalog the various work functions that must be performed in order to accomplish the strategic plan. Identify key work functions and related competencies for HFENs, HFE Supervisors, Training Supervisors, and District Office analyst and support staff. Prioritize the phases within the

¹⁰ "State of California Seven Step Workforce Planning Model", California Department of Human Resources, Statewide Workforce Planning and Recruitment Unit, accessed June 2014, <http://www.calhr.ca.gov/state-hr-professionals/Pages/State-of-California-Seven-Step-Workforce-Planning-Model.aspx>

workforce model development process based on the types of work that require the most staff hours (e.g., Skilled Nursing Facility oversight).

- c) **Identify Staffing Requirements.** Identify the staffing, both in number of staff and competencies required to accomplish the work functions. Project workforce needs to ensure a continued supply of staff with the necessary competencies to meet strategic planning goals. This process will include the following:
 - i. Use quantitative techniques where there are direct, measurable relationships between staffing levels and/or task times. Staffing ratios (e.g., number of long term care facilities per HFEN) or time-based ratios (e.g., average standard hours to complete a compliant investigation) are set based on either actual values or desired improvements based on organizational goals and objectives. Statistical techniques such as regression analysis can be helpful in determining the relationships between staffing drivers and required staffing levels.
 - ii. Supplement quantitative approaches with qualitative ones. Structured interviews provide a useful means of identifying variables that cannot be easily measured. For example, the Delphi Technique is a method of human resource forecasting that involves a structured approach to expert consultation and problem solving. Using this approach, L&C could convene a group of subject matter experts (e.g., District Office managers and staff) who are familiar with the staffing history and future needs. Each of the experts answer questions about staffing, the answers are compiled, and then reviewed individually. A facilitator manages the process and the experts are kept anonymous from each other to prevent bias and group-think. The result is a refinement of the staffing forecasting needs. A major advantage of using qualitative methods, especially with SMEs, is greater commitment and acceptance gained by involving the people that are most likely to be affected by staffing changes.

-
- iii. Consider performing a time study for commonly performed activities (e.g., facility surveys, complaint investigations) or in categories to which a significant amount of resources are devoted (e.g., Long Term Care Facilities). This would involve an in-person tracking of the time each staff classification requires to perform the various essential steps for common activities. The results from a study of a representative sample of events would be analyzed to determine the appropriate amount of time required to complete these common activities. This study may need to be performed periodically to validate the workload demands for staff activities, as the activity requirements may have changed or newly mandated activities may have been introduced
 - iv. Estimate the total workforce demand by applying the expected number of 'outputs' (e.g., surveys, complaint investigations) to the estimated time expected to perform the various activities.
- d) **Project Workforce Supply.** Project L&C workforce, including numbers of staff as well as competencies, taking into account attrition, and assuming no management actions taken to replace staff lost through attrition.
- e) **Analyze Workforce Gaps.** Compare the staffing requirements in step 3 with the projected workforce supply in step 4, and determine the gap. Identify the gap between identified workforce needs for each District Office and current staffing levels.
- f) **Develop Priorities and Implement Solutions.** Analyze your workforce needs (the gap), establish priorities, and implement solutions for meeting those needs.
- i. Based on results of restructuring efforts (Recommendation #5) modify workforce plan to achieve optimal geographic area and volume for each district office.

-
- ii. Calculate unmet workforce need and prioritize hiring activities. Create a list of priorities for hiring and develop short and long term plans for closing the workforce gap.
 - iii. Initiate recruitment activities. Implement plans for focused recruitment and hiring activity (refer to Recommendation #10) including a well-defined communication strategy and plan. Successful workforce planning involves sharing information with employees by openly communicating about all aspects of the effort.
- g) **Evaluate the Plan.** Assess what's working and what's not. Make adjustments as needed. Address new workforce and organizational issues. Your understanding of the factors that drive staffing requirements will improve with each iteration.
- i. Update the model to include types of work or categories of providers to which the Program has traditionally devoted fewer resources.
 - ii. Evaluate progress toward recruiting goals and develop measures and processes for ongoing evaluation to ensure workforce goals are being met.
 - iii. Include analysis of staffing needs for LA County in contract administration and oversight functions described in Recommendation #6.
- 3) **Assess Value of Current Timekeeping System (TEAM).** Upon successful implementation of the new method for estimating time spent on various surveyor activities, evaluate whether the use of TEAM for all HFENs and other L&C field staff continues to provide added value. This assessment should examine whether the retaining TEAM would improve the workload estimation process compared to, or as an adjunct to, the techniques recommended above. In particular, this evaluation would explore the incremental reliability of workload estimation, any efficiencies gained, or additional critical data gathered if TEAM were to be sustained ongoing. Savings in current staff time and avoided future information technology investments should be part of this analysis.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Define L&C Workforce Planning Model, and analyze outputs to identify possible workforce updates	
3. Submit assessment of TEAM application.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered completed when the Program has adopted and implemented a new methodology for projecting staffing needs and has a well-developed, comprehensive, written policies and procedures for workforce planning.

RECOMMENDATION #11

Design and Implement a HFEN Recruitment Strategy and Campaign

Health Facilities Evaluator Nurses (HFENs) represent the largest segment of the total L&C workforce. HFENs perform a mission-critical role for L&C in conducting complaint investigations and surveys of health facilities. Highly skilled and highly trained registered nurses, HFENs are the most critical workforce segment and the backbone of the L&C Program.

Vacancies in these key positions have been an ongoing challenge for the L&C Program, and recruitment, workforce development and succession planning efforts could be improved to more effectively meet the workforce needs of the Program. External factors present additional challenges for L&C in recruiting HFENs. For example, a renewed critical shortage of nurses in the U.S. is anticipated due to the aging of the nursing workforce, an aging U.S. population requiring more health care services, and recent reforms that provide millions more people access to the health care system. It is, therefore, critical that L&C engage immediately in creative recruitment strategies to attract and retain qualified nurses.

This recommendation, to design and implement a statewide HFEN recruitment strategy and campaign, will be supported by efforts to improve the hiring process (Recommendation #8) and will serve as part of the implementation phase of Recommendation #9 (Workforce Planning).

Planning for new and innovative efforts for HFEN recruitment should begin in 3-6 months, will be meaningfully completed in 6-12 months, and will include the following actions:

- 1) **Establish a Recruitment Project Team.** This is described in Recommendation #2. described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts should include Human Resource Branch managers and staff, Personnel

Liaison Unit managers and staff, headquarters supervisors and/or managers, district office supervisors, managers, and HFENs.

- 2) **Acquire Recruitment Expertise.** The L&C Program would benefit from the expertise of a individual that specializes in nursing recruitment strategies who either may currently be employed by CDPH, in the civil service employment pipeline, or engaged as a consultant.
- 3) **Catalog Current Efforts.** Evaluate L&C's current recruitment strategy including online presence and use of social media.
- 4) **Interview Existing Nurses.** Engage subject matter experts to conduct focus groups and listen to current HFENs share their ideas about recruiting.
- 5) **Address Immediate Needs.** Develop a short term recruitment plan that describes L&C's mission and vision and a profile of the HFEN positions. This plan must embrace a forward-thinking approach in order to attract candidates in today's competitive market. Also, ways to attract candidates through social media, employee testimonials, and face-to-face referrals must be clearly outlined. Current best practices in sourcing, screening and selecting candidates include the following:
 - a) Use both traditional and newer methodologies for sourcing candidates. The use of conventional tools such as print media, career fairs, and word of mouth can be complemented by the use of social media, virtual career fairs and networking.
 - b) As described in Recommendation #8 (HFEN Hiring), it is imperative that the recruitment and hiring process be streamlined so that the Program can respond more quickly and efficiently to inquiries and better match candidates with open positions.
 - c) Implement creative processes for selecting candidates such as behavioral interviewing sessions, on-the-job interviews, shadow interviews, and panel interviews. Also consider virtual interviews on using technologies such as SKYPE or GoToMeeting.com. Using these alternative tools will allow the candidate to

demonstrate his or her technology skills, as well as communication skills, both of which are required to be an effective HFEN.

- 6) **Address Future Needs.** Develop a long-term recruitment plan to ensure an adequate HFEN workforce pipeline and a stable workforce. This long term plan will include establishing partnerships for collaborating and sharing resources to meet common goals of filling the California's health care workforce pipeline. Potential partners may include national and state workforce boards, other state Departments or Programs that employ registered nurses, and national or regional professional associations. To support long-term recruitment needs, establish partnerships with local colleges and universities to discuss your future employment needs. This collaboration can positively impact the quality and quantity of health care graduates.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Engage nursing recruitment expertise.	
3. Catalog current recruitment practices.	
4. Identify possible new recruitment techniques.	
5. Develop interim plan to address immediate needs.	
6. Design long-term plan to meet ongoing needs.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered completed when the vacancy rate for HFENs is less than 5% state-wide and a comprehensive long-term recruitment strategy and plan have been adopted.

RECOMENDATION #12

Design and Implement an Employee Retention Plan for District Offices

As described in previous recommendations, HFENs are the most critical L&C workforce segment, providing mission-critical functions for both federal and state mandated workload. In addition to the critical need for recruiting nurses to fill vacant positions throughout the state, retention of current HFENs provides an important opportunity for the L&C Program to reduce turnover and diminish ongoing recruitment demands.

The L&C Program has an opportunity to improve in employee satisfaction and reduce turnover. Less than one-half of L&C employee survey respondents rating their job satisfaction as good or very good, and 18% of survey respondents reported to be "actively seeking employment outside of CDPH." In addition to HFENs, the Program faces challenges in recruiting and retaining supervisors and managers in many of the District Offices. With 65% of the survey respondents over the age of 50, 58% of all CDPH managers and supervisors over the age of 50, and 36% of survey respondents reporting plans to retire within the next five years, employee retention and succession planning is of utmost importance for the L&C Program.

L&C should develop a comprehensive approach to retention that addresses talent management and succession planning. Using the results of the employee surveys, the Program should coordinate follow-up activities and interventions among key Program leaders, including the Field Operations District Managers. This may be of significant importance in light of the aforementioned survey findings indicating about the aging workforce.

Salary compaction is a barrier to recruiting and retaining supervisors. L&C has been working for many years to adjust the rate of pay for HFE II supervisors. Since January 2007, CDPH has been working on revising the classification specification for the health facilities evaluator classification series. The most concentrated of these efforts began in February 2011, when the Department partnered with the California Department of Human Resources (CalHR). This

proposal is anticipated to be completed and implemented by the second half of 2014. Salary differentials are currently addressed with a temporary retention/recruitment and pay differential. The provisional nature of the retention/recruitment and pay differential is a barrier to recruiting HFEN supervisors because HFEN qualified candidates are hesitant to accept permanent positions for fear of losing the differential. Once the differential becomes permanent this will no longer be an issue. The HFE Specification Project which aligns the salary differential in the classification is expected to lift this barrier to recruiting HFEN supervisors.

This recommendation, to design and implement an employee retention plan with particular focus HFENs and District Office supervisors and managers, will complement the implementation of a comprehensive workforce plan and staffing model (Recommendation #10) as well as the implementation of critical recruitment efforts (Recommendation #11). Developing the skills of managers (Recommendation #16) will contribute significantly to L&C retention efforts. In addition, redesigning workforce processes and adopting new technologies (Recommendations #18 and #19) to increase efficiency, effectiveness; improving on-boarding and ongoing training (Recommendations #13 and #15); and improving communication (Recommendation #17) will contribute to employee satisfaction and retention.

Employee retention efforts will involve developing a comprehensive strategy and plan for improving employee satisfaction and decreasing turnover. Implementation of this recommendation should begin within 3-6 months, with development activities ongoing for about one year. Initial activities will include the following actions:

- 1) **Establish a Retention Project Team.** This is described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts should include district office supervisors, managers, and HFENs.

-
- 2) **Gather Ideas from Existing Staff.** Evaluate existing employee survey data and conduct focus groups to listen to current HFENs, supervisors, and managers share their ideas about retention. Establish an infrastructure and related processes for soliciting feedback for improving the L&C workplace.
 - 3) **Improve Selection and Hiring.** Ensure L&C is hiring the right people in the first place through the use of behavior-based and peer interviewing techniques to screen candidates.
 - 4) **Focus on Recent Hires.** Improve on-boarding and initial training including implementing a formal mentoring program (see also Recommendation #14). Conduct 30- and 90-day interviews and intervene quickly if the new employee's expectations are not being met.
 - 5) **Support and Train Supervisors.** Establish a structured schedule for follow-up between managers/supervisors and their employees. Develop HFE Supervisors in coaching employees to increase their efforts at providing coaching, praise, and recognition to HFENs directly while on the job and publicly within the district office and across the state (see also Recommendation #16).
 - 6) **Segment Workforce by Employment Needs.** Identify common categories of L&C workers who may have common needs or issues. For example, engage staff who have reached retirement age by increasing inclusion in decision-making and allowing for flexible work arrangements; or focus on retaining younger generation workers by engaging them in improvements in the use of technology and focusing on work-life balance needs.
 - 7) **Address Good (and Bad) Performance.** Share employee survey results and demonstrate how concerns are being addressed. Improve ongoing training to enhance their skills and enable advancement within L&C if desired. Design and implement a recognition program that acknowledges the critical role employees play and recognizes their contribution. Deal with low performers in a fair and timely manner to demonstrate L&C's commitment to quality and accountability to its employees.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Catalog proposed retention strategies.	
3. Implement new interview and screening techniques.	
4. Create new-employee timeline, checklist and survey (see also Recommendation #14).	
5. Develop supervisor training and support plan (see also Recommendation #16).	
6. Design and implement retention strategies for each workforce segment.	
7. Create recognition 'toolkit' for supervisors and managers.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered completed when the turnover rate for HFENs, District Office Supervisors, and District Office Managers is less than 10% state-wide.

RECOMMENDATION #13

Improve HFEN On-Boarding and Initial Training

Since HFENs represent nearly one-half of the L&C workforce and conduct the core mandated workload, the Program places strong emphasis on HFEN training. A lengthy and resource-intensive process, HFEN training includes several components and takes about one year to complete. The Program relies provides a New Surveyor Academy, in addition to working with CMS, to provide the training required for each HFEN's certification to conduct federal re-certification surveys and complaint/ERI investigations in long term care facilities.

In addition to attending training courses, each district office has a designated training supervisor who is responsible for providing and overseeing on-the-job training and mentoring. There is a significant opportunity to enhance training through an enterprise-wide mentoring process for HFENs: 28% of the 220 HFENs who responded to the HSC HFEN survey question responded affirmatively to the question "Is there a formal or structured mentoring program for new HFEN's in your District Office?" In addition, several district offices reported that it is not uncommon for a designated training supervisor to be assigned other responsibilities that limit their ability to focus 100% of their time on training.

Suggested improvements to the HFEN orientation program would include the following innovative best practices:

- Be careful to avoid information overload during the on-boarding process. For example, consider an initial focus on state licensing surveys with an emphasis on investigative and interviewing skills so that new HFENs can gain experience in the field early on. Leverage technology, such as web portals, to assist with delivering messages and integrating new employees.
- Develop programs for integrating newcomers so they feel as though they're really part of the team. Educate new employees on the culture of the organization, including scheduled time with leaders who best embody the culture.

- Design the on-boarding process to be interesting and interactive to communicate a positive outlook about the high quality of L&C and help employees retain information more effectively. Inspiring experiences reassure new hires they made the right choice and lay the foundation for high employee engagement. Build elements of games — rewards, points, recognition — into the on-boarding process and New Surveyor Academy. For example, design “levels” or “points” into the program, to incentivize completion and include specific timelines and deadlines for achieving certain milestones.
- Reinforce learning outcomes by understanding and matching learning styles of each employee with various methods. Use a variety of methods, such as classroom lecture, role-plays, on-the-job application, e-learning, and use of other technology and support tools. Understand the benefits and shortcomings of various methods to optimize the delivery of effective training programs.
- Conduct a skills assessment after a training session has been completed to measure the success of the training, determine if the desired goal was met, and learn the extent to which the participants benefitted from the session.
- Establish shared accountability through self-directed training. By identifying their own needs, creating individual learning plans and seeking learning opportunities, employees are encouraged to take responsibility for learning and apply the learned concepts at work. By experimenting and learning by doing, an employee may find himself to be more effective at work and contribute to organizational success.
- Design ways for new employees to quickly acclimatize to their new work environment and start building rapport with colleagues so they can begin to assimilate into existing workgroups.
- Supervisors and managers should meet with regularly with new employees to set performance expectations and related development plans. This initial meeting should set clear job expectations for the employee, and will create a sense of ownership, reduce confusion and give an idea of what it takes to be successful. This

recommendation, to improve HFEN on-boarding and initial training, is critical to supporting the HFEN recruitment campaign (Recommendation #11) and addressing HFEN retention issues (Recommendation #12). Investing in effective, well-designed and engaging on-boarding not only has an impact on an employee's performance, but also significantly impacts job satisfaction and retention.

A focus on improving HFEN on-boarding and initial training should commence within 6-12 months, will initially take 6-12 months to design, and will include the following steps:

- 1) **Establish an On-Boarding Project Team:** This is described in Recommendation #2 (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts should include the SEQIS Training Manager, Training Supervisors, district office supervisors, managers, and HFENs.
- 2) **Acquire Relevant Expertise.** A CDPH employee, civil service candidate, or contractor that specializes in designing employee on-boarding and orientation training programs will provide direction, support, and offer innovation solutions based on best practices in training and staff development.
- 3) **Catalog Current On-Boarding and Initial Training Practices.** Evaluate L&C's current HFEN orientation and training practices. Include an evaluation of the New Surveyor Academy as well as District Office on-boarding practices during the past two years. Included in this assessment should be the recently updated LA County Training and Staff Development Plan.
- 4) **Gather Ideas from Existing Staff.** Evaluate existing employee survey data and conduct focus groups to glean on-boarding and initial training experiences from HFENs who were hired within the last 12 months. Establish an infrastructure and related processes for gathering ongoing feedback from HFENs regarding ways to improve on-boarding and initial training.

5) **Design and Implement a HFEN Orientation Program.** Develop an improved HFEN on-boarding and initial training program that includes the following actions:

- a) Establish Program-wide mandated start dates to allow for more structured on-boarding and to create new HFEN cohorts. Cohorts act as a community of practice with the common interest of learning what they need to become an effective HFEN.
- b) Develop goals, expectations, and related checklists for the period between hire date and attendance at New Surveyor Academy Session #1. Engage new HFENs early and reinforce consistent messages to avoid mistakes later on.
- c) Develop improved informational materials about L&C that are specific to new HFEN needs. Develop a new HFEN portal on the L&C website or intranet, which also would link to regulations, policies, procedures and standards applicable to Program operations.
- d) Collect feedback during, after the on-boarding and initial training, and then at various milestones over the course of the first year. Use various communication methods such as anonymous surveys to invite feedback, especially from those not comfortable, or reluctant to contribute. Meet regularly with each new hire to find out how they are doing.

6) **Design and Implement a Formal HFEN Mentoring Program.** Assigning an experienced mentor will give the new HFEN a contact who is a reliable source of work-related information. An effective mentoring program provides recognition and provides mentors with coaching skills training and professional development opportunities for current employees, keeping them motivated and productive. The following actions represent best practice for establishing a formal mentoring program:¹¹

- a) Conduct a Needs Assessment.
- b) Develop a project and implementation plan.
- c) Assign an executive sponsor, steering committee, and program manager.

11 "Best Practices: Mentoring", United States Office of Personnel Management, accessed June 2014,
<http://www.opm.gov/policy-data-oversight/training-and-development/career-development/bestpractices-mentoring.pdf>

- d) Design and recruitment and marketing strategy.
- e) Match mentors and mentees. Consider using online mentoring tools for matching and for ongoing communication.
- f) Develop instruction guides and provide orientation to include a mentoring agreement and action plan.
- g) Conduct a pilot. Capture lessons learned and modify as indicated.
- h) Conduct evaluation activities on a regular basis, at least twice a year at first, then at least annually once the program is established.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Acquire on-boarding expertise.	
3. Catalog current orientation process.	
4. Gather feedback on promising boarding practices.	
5. Design HFEN orientation plan.	
6. Design HFEN mentoring program.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when improvements to HFEN on-boarding and initial training have been implemented including a HFEN mentoring program. In addition, measureable improvements to new-hire satisfaction will be accomplished, which may be evaluated using a periodic employee survey.

RECOMMENDATION #14

Improve On-Boarding and Initial Training for Non-HFEN Staff

While on-boarding and initial training for non-HFEN staff is less complicated, it is equally important for the L&C Program. There are many staff at headquarters and in each district office who provide support and other important functions critical to meeting L&C's federal and state mandated workload. While on-boarding and initial training for HFENs is managed centrally from headquarters, these functions primarily are left to each branch, section, unit, and district office for all other staff.

There is a significant opportunity to improve training and orientation for both HFEN and non-HFEN staff. In a survey conducted during the gap analysis phase, 37% of the district office analysts and 41% of support staff who responded to our survey reported receiving no initial orientation. Moreover, of the analysts and support staff who did report receiving initial orientation, less than one-half indicated they felt well-prepared to do their job. For all survey respondents, the majority of initial orientation training was on-the-job training.

This recommendation, to improve on-boarding and initial training for all L&C non-HFEN staff, complements improved HFEN on-boarding (Recommendation #13) and will also contribute to improved communication (Recommendation #17). Efforts to streamline key work processes and increase work process efficiencies through improved IT systems (Recommendations #18 & 19) will be optimized when incorporated into new employee training. As with HFENs, investing in effective, well-designed and engaging on-boarding not only has an impact on an employee's performance, but also significantly impacts job satisfaction and retention (Recommendation #12). Implementation of the improved employee orientation program also should include innovative best practices described in Recommendation #13 (HFEN onboarding).

A focus on improving on-boarding and initial training for non-HFEN staff should commence within 6-12 months, will initially take 6-12 months to design, include the following actions:

- 1) **Establish Support Staff On-Boarding Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts should include the SEQIS Training Manager, district office support staff supervisors, headquarters supervisors and managers, analysts, and other non-management staff.
- 2) **Acquire Relevant Expertise.** A CDPH employee, a new civil service hire, or a contractor that specializes in designing employee on-boarding and orientation training programs will provide direction, support, and offer innovation solutions based on best practices in training and staff development.
- 3) **Catalog Current Orientation Practices.** Evaluate L&C's current on-boarding and initial training efforts for non-HFEN employees. Include in this assessment training provided by headquarters, e.g., SEQIS and ITSD, as well as District Office on-boarding practices during the past two years.
- 4) **Gather Ideas from Existing Staff.** Evaluate existing employee survey data and conduct focus groups to listen to support staff who were hired within the last 12 months to learn about their experience of on-boarding and initial training. Establish the infrastructure and related processes for gathering ongoing feedback from support staff regarding ways to improve on-boarding and initial training.
- 5) **Design and Implement a Support Staff Orientation Program.** Develop an improved employee on-boarding and initial training program that includes the following actions:
 - a) Establish Program-wide mandated start dates to allow for more structured on-boarding and to create new employee cohorts. Cohorts act as a community of practice with the common interest of learning what they need to be successful in their new role.
 - b) Develop goals, expectations, and related checklists for the first 90 days. Engage new employees early and reinforce consistent messages to avoid mistakes later on.

- c) Develop improved informational materials about L&C, including a new employee portal on the L&C website or intranet.
- d) Collect feedback during, after the on-boarding and initial training, and then at various milestones over the course of the first year. Use various communication methods such as anonymous surveys to invite feedback, especially from those not comfortable, or reluctant to contribute.
- e) Include an informal mentoring program for non-HFEN staff to provide support during the first months of employment. Assigning an experienced mentor in the same or related classification will give the new employee a contact that will be a source for reliable information on L&C business processes. Provide recognition and coaching skills training for current employees who serve as mentors.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Acquire on-boarding expertise.	
3. Catalog current orientation process.	
4. Gather feedback on promising on-boarding practices.	
5. Design support staff orientation plan.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when improvements to on-boarding and initial training for all staff have been implemented. In addition, measureable improvement in new-hire satisfaction will be accomplished, which may be evaluated using a periodic employee survey.

RECOMMENDATION #15

Implement a Comprehensive Program for Ongoing Training and Staff Development

Providing ongoing learning opportunities to employees contributes to a positive work environment, helps to keep everyone motivated to find new ways to do their jobs better, and improves business outcomes. A comprehensive training program is focused on strengthening the skills that each employee needs to be successful and ensures that employees have a consistent experience and background knowledge. An investment in training shows employees they are valued and creates a supportive workplace. Cross-training is a proactive way to prepare employees to step into new roles or to fill in when another employee resigns or takes leave. Other benefits include fostering a sense of teamwork when employees interact with their colleagues from other areas within the organization and helping them gain a better overall understanding of how the Program operates.

WebEx trainings are offered to L&C Field Operations staff on a regular basis and some training is provided during periodic face-to-face meetings. As identified in the Assessment and Gap Analysis report, L&C has many important opportunities for improvement in this area. In particular, recent employee surveys have identified uneven training experiences among Program staff. Improved formalized training will increase the baseline knowledge of L&C staff and reduce the number of employees who rely mostly on co-workers or word of mouth to learn about Program policies and procedures.

L&C's existing training and staff development activities are limited in scope. Notably, detailed information on attendance in CMS training courses and projections for future training needs is reported in monthly updates for L&C management and quarterly CMS Benchmark reports. In addition, the IT Services Division has conducted surveys to assess and plan for IT-related training needs. To build on these practices, L&C should develop a comprehensive training plan

that includes a Program-wide wide effort to assess staff needs and deliver training for all job classifications.

Recommendation #15, to develop and implement a comprehensive program for ongoing training and staff development, builds on the recommendations for on-boarding and initial training (#13 and 14). Improved communication (Recommendation #17), streamlined work processes, and the deployment of updated IT systems (Recommendations #18 & 19) will be supported by a comprehensive training program. Also, staff development is directly linked with employee retention (Recommendation #12) and, most importantly supports L&C's strategic goals identified in the strategic planning process (Recommendation #4).

This recommendation for developing and implementing a comprehensive program for ongoing training and staff development should start within 6-12 months, will be implemented during the following 6-12 months, and will include the following actions:

- 1) **Establish a Project Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. The on-boarding project team subject matter experts should include the SEQIS Training Manager, district office training managers, field and headquarters supervisors and managers, HFENs, analysts, and other non-management staff.
- 2) **Acquire Staff Development Expertise.** Engage an internal CDPH expert, a new civil service employee, or an external contractor that specializes in designing employee training programs to provide direction, support, and offer innovation solutions based on best practices in training and staff development.
- 3) **Catalog Training Options.** Evaluate L&C's current training efforts including training provided by headquarters, e.g., SEQIS and ITSD, as well as District Office training practices during the past two years.

- 4) **Gather Ideas from Existing Staff.** Evaluate existing employee survey data and conduct focus groups to listen to staff at all levels of the organization share their experience of training. Establish an infrastructure and related processes for gathering ongoing feedback from staff regarding ways to improve ongoing training and staff development.
- 5) **Conduct Training Assessment.** Evaluate L&C staff development needs to understand what type of training program is needed. Link training needs to specific job classifications. Perform a skills gaps analysis to identify the current skills L&C staff possess and where they need to improve. This skills assessment provides the foundation for identifying and developing future training initiatives.
- 6) **Set Training Goals.** The training program should support L&C's overall strategic goals so that learning objectives are aligned with key organizational objectives. Establish objectives of the training and staff development program, including resources required to meet the goals, timelines, and specific steps for achieving the set goals. Clearly outline how the training initiatives will help L&C achieve its goals.
- 7) **Design Course Catalog.** Design a set of L&C classes that meet stated training goals. List training objectives, prerequisites, target audience and course content for each. Align ongoing training and staff development with new employee on-boarding and initial training. Design training sessions to align with and support organizational structures, lines of authority, decision-making, and other practices. Tap existing internal expertise to support training delivery.
- 8) **Develop Post-Training Surveys.** Solicit training feedback at various milestones over the course of the first year. Use different communication methods such as anonymous surveys to invite feedback, especially from those not comfortable, or reluctant to contribute.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Acquire relevant expertise.	

3. Catalog current staff development offerings.	
4. Gather feedback on potential training program improvements.	
5. Produce training assessment / gap analysis.	
6. Identify training program goals.	
7. List proposed L&C classes and content.	
8. Develop training surveys.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when improvements to ongoing training and staff development for all staff have been implemented and measureable improvement in employee satisfaction with training has been accomplished (i.e., via a periodic employee survey).

RECOMMENDATION #16

Develop and Implement a Leadership and Management Skills Development Program

Effective leadership and good management skills have a significant impact on employee satisfaction, retention, productivity, and organizational performance. High performing organizations deploy comprehensive leadership development and management skills training programs that include conducting a needs assessment, defining core competencies, deploying programs and activities to develop leaders and enhance management skills, and measuring the effectiveness of the program.

The L&C Program has opportunities for improvement in the important areas of leadership development and management skills training, including a needs assessment, a documented competency model, a leadership development program. Managers and supervisors should consistently receive standardized training on leadership and management skills after being promoted, which also would address any gaps in compliance with participation in the state mandated supervisory training.

Implementation of the leadership and management skills development program should include the innovative best practices described in Recommendation #13 as well as the following¹²:

- Embrace a focus on collective rather than individual leadership in which leadership is a collective process that is spread throughout networks of people. Leadership spread throughout a network of people is more likely to flourish when certain “conditions” support it, including: open flows of information, flexible hierarchies, distributed resources, distributed decision-making, and loosening of centralized controls.

¹² “Future Trends in Leadership Development”, Center for Creative Leadership, accessed June 2014, <http://www.ccl.org/leadership/pdf/research/futuretrends.pdf>

- Provide executive coaching that is customized for each person, allows the manager to choose what to focus on, is a developmental process that occurs over time, and transfers ownership of the development to the individual.
- A focus on cognitive development of leaders will be included so that leaders learn to think in more complex ways and are more effective in adaptive competencies such as learning agility, self-awareness, comfort with ambiguity, and strategic thinking.
- Include individual skill development (planning and goal setting, problem solving, decision making, oral and written presentations); interpersonal skills (coaching, communication, performance evaluation and improvement); and group skills (conducting meetings, empowering and delegating, team building, and managing change).
- Address how to deal with the high-stakes, emotionally charged issues involving differing perspectives and opinions. Examples include giving and receiving feedback from a co-worker or supervisor, addressing policy or procedure violations that create a safety concern, meeting with an employee for an unfavorable performance review, and addressing a team member who has not kept his/her commitments to the team or organization.
- Focus on new supervisors and managers to build crucial foundational skills to shift from being an individual contributor to a well-respected manager.

Recommendation #16, to develop and implement a leadership and management skills development program is directly linked with building a visionary leadership team (Recommendation #1) and improving employee retention (Recommendation #12). Improving the skills of leaders and managers will also support L&C's ability to achieve strategic goals identified in the strategic planning process (Recommendation #4).

This recommendation for developing and implementing a leadership and management skills development program should commence within 6-12 months, will take 6-12 months to design, and should include the following actions:

- 1) **Establish a Project Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts in the Leadership Development and Management Skills Training team should include CDPH executive leader(s), and headquarters and field managers and supervisors.
- 2) **Acquire Expertise in Leadership Development.** An existing CDPH employee, a newly recruited civil servant, or an external contractor that specializes in designing leadership and management skills development programs will provide direction, support, and offer innovation solutions based on best practices.
- 3) **Catalog Training Options.** Evaluate L&C's current leadership and management skills development efforts. Include training opportunities offered by L&C, CDPH, CHHS, and CalHR that currently are available or in which L&C managers have participated in the past two years.
- 4) **Gather Ideas from Existing Staff.** Evaluate existing employee survey data and conduct focus groups to listen to supervisors and managers in all areas of the organization share their experience of leadership development and management skills training. Establish an infrastructure and related processes for gathering ongoing feedback from supervisors and managers.
- 5) **Conduct a Needs Assessment.** Identify the current skills L&C managers and supervisors possess and where they need to improve. This skills assessment provides the foundation for identifying and developing future development and training initiatives. This needs assessment may include a survey of staff, peers and managers in each participant's network of Department employees, who could provide feedback on an individual's leadership strengths and opportunities for improvement.

- 6) **Establish Leadership Program Goals.** Objectives for the leadership and management skills development plan will describe resources required to meet the goals, timelines, and specific steps for achieving the set goals. Clearly outline how the training initiatives will help L&C achieve its goals.
- 7) **Design Leadership Development Curriculum.** Design a set of leadership courses that meet stated goals of L&C's leadership development program. List training objectives, prerequisites, target audience and course content for each. Align these courses with existing offerings available through CHHS, CalHR and other agencies.
- 8) **Collect Trainee Feedback.** Develop leadership training survey, and use different communication methods such as anonymous surveys to invite feedback, especially from those not comfortable, or reluctant to contribute.
- 9) **Design and Implement a Formal Management Mentoring Program.** Assigning an experienced mentor will give the new supervisor or manager a reliable contact source. An effective mentoring program provides recognition and provides mentors with coaching skills training and professional development opportunities for current employees, keeping them motivated and productive. Incorporate the best practices for mentoring programs described in Recommendation #13.

Milestones and outcomes for this recommendation include the following:

<i>Milestone/Outcome</i>	<i>Target Date*</i>
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Acquire relevant expertise.	
3. Catalog current leadership development offerings.	
4. Gather feedback on potential improvements to L&C leadership development efforts.	
5. Produce training assessment / gap analysis.	
6. Identify training program goals.	
7. Create Leadership curriculum	
8. Develop training surveys.	
9. Outline mentoring program requirements.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when a comprehensive leadership and management skills development program has been implemented and measureable improvement in supervisor and manager satisfaction with has been accomplished.

RECOMMENDATION #17

Improve Communication, Collaboration, and Sharing of Best Practices

Communication is not an end unto itself, rather it is a vital activity that we engage in to, develop, maintain, and spread the goals of the organization. Good employee communication is essential to motivating and engaging staff, supporting teamwork, and ensuring high levels of individual and organizational performance. In fact, organizational and individual performance, employee engagement, and open communication are unavoidably linked. The primary driver of employee satisfaction is effective communication. Employee satisfaction and customer / stakeholder satisfaction have a cause-and-effect relationship. Additionally, the primary factor in building employee commitment is communication of a clear vision for the future and progress toward that vision.

Collaboration is fundamental to good teamwork and contributes to innovation. Working together collaboratively to address opportunities for improvement allows staff to learn from each other and develop cross-functional skills. Building a team of individuals with diverse strengths allows them to accomplish a variety of complex tasks. Successful teamwork inspires a sense of community within an organization and contributes positively to employee retention.

Sharing best practices is another proven approach to improved organizational performance. Replicating successes found in one area is an important adjunct to improvement approaches focused on identifying and solving problems.

Planning is required to implement strategies for improved internal communication. L&C is an organization with a large portion of its workforce that works remotely and in regional offices over a large geographic area which presents challenges to effective communication. There are significant opportunities for improvement in the Program's ability to adopt and implement a wide-range of communication skills and to adapt to the communication needs of a complex and multi-faceted organizational structure. For example, less than one-half of employees

responding to an annual Department-wide survey reported that decisions are communicated clearly. In addition, performance goals are not clearly and consistently communicated, and many employees report that they are not involved in decisions that affect their work.

Best practices for standing meetings should be expanded Program-wide. In addition to ensuring meetings are seldom canceled, start on time, and include an agenda, they also should provide opportunities to discuss issues, problem solve, and work collaboratively to identify solutions. In addition, the Program would benefit from establishing an infrastructure for capturing and disseminating solutions that arise during various meetings, especially those occurring in district offices.

Improving internal communication should incorporate the following innovative best practices:

- Link with L&C's overall strategic plan and align with key organizational objectives.
- Provide regular updates from leadership, especially when implementing change initiatives. For example, use E-newsletters or email updates and town-hall style meetings and discussions.
- Include how to manage and communicate about any crises that might arise, including coordination with Department, Agency, and Governor's Office representatives.
- Let employees know when major decisions are expected to be made.
- Create a channel for two-way, open communication. For example, create a virtual suggestion box or a forum for discussion between employees and leadership. Posts can remain anonymous for employees.
- If there is no information available or something hasn't been decided yet, let employees know that, but don't keep them guessing.
- Provide multiple opportunities to share concerns, ask questions, and offer ideas. Make following up with answers and updates a top priority. For example, in addition to making sure there's an agenda for each meeting, there also should be a list of 'action items' that are tracked so that outstanding issues don't fall through the cracks.

- Use a variety of communication pathways and vehicles. Don't make the mistake of using only one vehicle, such as e-mail. Redundancy and repetition are helpful in creating effective communication. Select the most appropriate and effective communication method for the circumstance and recognize the qualities and limitations of various methods. For example, rich communication and lean communication describe, primarily, the communication medium – face-to-face conversation, classroom presentation, video conference, telephone, email, or internet chat room. Use a mix of rich and lean communication, suggesting rich face-to-face communication for uncertain, emotionally charged issues, and more lean impersonal communication such as e-mail for clear, simple messages. Lean media is an effective way to communicate urgent news throughout an organization. On the other hand, satisfaction with one's job and supervisor is directly correlated with the amount information transmitted using rich communication methods.
- Use a communications tracker to schedule and track formal communications via multiple communications channels, which can minimize redundancy and information overload.

Increasing collaboration should involve the following innovative practices:

- Provide staff with educational programs that develop communication and collaboration skills.
- Collaboration should fit naturally into employee's flow of work rather than being seen as an additional task or requirement.
- Create a blame-free learning environment and a culture of participative decision making.
- Incorporate the characteristics of successful work relationships - trust, diversity, mindfulness, interrelatedness, respect, varied interaction, and effective communication.¹³

¹³ Tallia, A. F., Lanham, H. J., McDaniel, R. R., Crabtree, B. F. "Seven Characteristics of Successful Work

- Plan group events to encourage collaboration. This will require steps to force people out of their comfort zones to experiment with new ways of interacting, for example, use game play to spur new forms of creative interaction and consider eliminating the use of email for problem solving interactions.
- Provide a process for idea generation and for having those ideas vetted by other employees across L&C. Use technology to promote collaboration for creating and refining new ideas and to foster a sense of shared involvement. For example, Brightidea.com offers integration with SharePoint to collect and collaborate on ideas for improvement.¹⁴
- Make collaboration a focus on staff development and employee performance evaluation.

Sharing best practices should involve the following innovative practices¹⁵:

- Focus on identifying and replicating successes throughout the organization to raise the overall quality of services provided and improve efficiency by avoiding duplication of effort.
- Focus on what people are doing right to improve morale, empower staff, encourage learning, and make achieving excellence seem possible.
- Create a supportive environment and provide infrastructure such as processes and tools, e.g., reports, online discussion groups, and web-based platforms, for sharing knowledge.
- Make a commitment to devote the time and resources such as skilled facilitators to ensure best practices are identified, shared, documented, and disseminated.

Relationships”, Journal of Family Practice, American Academy of Family Physicians, accessed June 2014, <http://www.aafp.org/fpm/2006/0100/p47.html>

14 “Brightidea SharePoint Connector”, Brightidea, accessed June 2014, <http://www.brightidea.com/sharepoint.bix>

15 “Sharing Internal Best Practices”. National Collaborating Centre for Methods and Tools, McMaster University, Hamilton, Ontario, accessed June 2014, <http://www.nccmt.ca/registry/view/eng/84.html>.

Recommendation #17, to improve communication, collaboration, and build an infrastructure for sharing best practices is directly linked with building a visionary leadership team (Recommendation #1) and developing and implementing a strategic plan (Recommendation #4). Also, improved communication and collaboration will positively impact employee retention (Recommendation #12), support the development of performance measures (Recommendation #7), and provide a foundation for efforts to build performance improvement capacity (Recommendation #8). Finally, as the Program works to reengineer and streamline work process (#18) and deploy related IT improvements (#19), a well-defined communication strategy and plan will be a key ingredient for success.

This recommendation for improving communication, collaboration, and building an infrastructure for sharing best practices should be commenced immediately, will take 6-12 months to initiate, and will include the following actions:

- 1) **Establish a Communications Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts on the team should include headquarters and field managers, supervisors, HFENs, and other analytical and support staff.
- 2) **Acquire Communications Expertise.** This internally or externally sourced expert will provide support in developing a communications plan and will serve as an implementation manager for all communications efforts.
- 3) **Gather Ideas from Existing Staff.** Evaluate existing employee survey data and conduct focus groups to listen employees share their experience of communication, collaboration, and sharing of best practices. Establish an infrastructure and related processes for gathering feedback on an ongoing basis.

-
- 4) **Develop and Implement a Communication Plan.** A comprehensive plan for improving communication, collaboration, and sharing best practices plan will include the following actions:
- a. Establish goals and objectives including resources required to meet the goals, timelines, and specific steps for achieving the set goals.
 - b. Develop an implementation plan that includes specific timelines, deadlines, activities, responsible party, etc.
 - c. Define an approach to supporting major change initiatives with a communication plan. (Refer to Recommendation #2).
 - d. Collect feedback at various milestones over the course of the first year.
 - e. Track and measure success, so each communication goal and strategy is evaluated.
- 5) **Support Major Changes Initiatives.** As described in Recommendation #2, a communication plan is a key element of effective change management and includes the following actions:
- a) Use change readiness surveys to gauge readiness for specific initiatives, and identify potential challenges, and barriers.
 - b) Implement an efficient process to review and approve all communications to allow for timely information sharing and mitigate the potential for information overload.
 - c) Create and distribute a "Fact Sheet" that outlines the purpose of the initiative, who is involved, and the timeframe.
 - d) Create a presentation that describes the initiative in detail.
 - e) Prepare talking points to ensure the same, clear message is being delivered by all leaders and initiative participants.
 - f) Conduct a series of meetings to inform and involve employees in the initiative.
 - g) Identify "ambassadors" who can help with informing others.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Engage communications expertise.	
3. Catalog communication gaps and promising practices.	
4. Develop a Program-wide communications plan.	
5. Develop a communication plan for each of the recommendations in this report (see Recommendation #2).	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when a comprehensive communication plan has been implemented for the L&C Program as a whole and for each of the recommendations in this report. In addition, the Program should demonstrate measureable improvement in employee satisfaction (i.e., via survey) with internal communication, collaboration, and sharing of best practices (e.g., those described in the Assessment and Gap Analysis report).

RECOMMENDATION #18

Implement Lean Thinking for Key Work Processes

Business process improvement examines the efficiency and effectiveness of an organization's most critical processes and is a key component in delivering high quality service in the most productive way. Methodologies include Lean Thinking, Six Sigma, Business Process Redesign, Kaizen, and Systems Thinking. These methodologies are focused on processes and aim to significantly impact quality, cost and time, and satisfaction of both staff and customers. Specifically, the objective is the reduction of processing time, an increase in quality through a reduction of errors, the reduction in costs through lower resource use, increased employee motivation and satisfaction, and increased customer satisfaction. Ultimately, this involves fundamentally rethinking how work is done in order to dramatically improve business process efficiency and outcomes.

Lean Thinking is an approach that focuses on the elimination of all activities that do not provide value and therefore should be eliminated. The fundamental element of Lean Thinking is the removing waste, variability and inflexibility. Lean Thinking is a way of working that identifies and eliminates waste to deliver improved value and service. This approach to process improvement is particularly useful where fast results are needed, shorter timeframes and greater flexibility are important, large numbers of front line staff work together, and limited performance data are available. In public sector organizations, 'value' may also include adherence to policy and laws which are not as common in private sector organizations.

The L&C Program has significant opportunities for improving key work processes. For example, HFENs and other surveyors document on paper while on-site for a survey or investigation, then return to the office the following week to complete the survey documentation and key in the information into the computer application. This labor-intensive and redundant process represents significant waste in human resources. In addition, a significant number of L&C processes are paper-based and labor intensive, with multiple methods used for collecting and

reporting data about similar Program activities. These redundant and inconsistently performed data collection steps are not only inefficient, they also impact the reliability of the data input into the various IT applications. There are examples of overlap and confusion regarding roles and responsibilities between the headquarters-based CAU and district office staff, in particular the AGPA analysts. L&C Program leaders are currently planning to engage a consultant to assist with restructuring and work redesign in this area.

Recommendation #18, to Implement Lean Thinking for key work processes must be embraced and supported by a visionary and effective leadership team (Recommendations #1 and #16), should support the strategic plan (Recommendation #4), and will contribute to an improved process for data collection and reporting for performance management (Recommendation #7). Also, improved communication and collaboration (Recommendation #17) and improved performance improvement capacity (Recommendations #8) will be a critical success factors in implementing Lean Thinking.

This recommendation, which should be commenced within 3-6 months and could require 12-18 months to gain significant momentum, will include the following actions:

- 1) **Establish a Project Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts on the team should include headquarters and field managers, supervisors, HFENs, and other analytical and support staff.
- 2) **Acquire Expertise in Business Process Improvement.** Resources internal or external to the Department will provide support in developing the plan and to serve as an implementation manager for all communications efforts.
- 3) **Prioritize and Implement Process Improvements.** Learn and embrace proven best practices for implementing Lean Thinking including the following actions:¹⁶

¹⁶ "Review of Business Process Improvement Methodologies in Public Services", Advanced Institute of Management Research, accessed June 2014,

-
- a) Ensure strong leadership and visible support from management. Leaders and managers need to fully understand the Lean Thinking approach and demonstrate their commitment and support. Rather than a set of tools, embracing process redesign with a Lean approach needs to be viewed as a part of an organizational strategy that fundamentally consists of a shift in culture, thinking, and structure. Rather than using a 'top down' style of management and an approach that examines every process as a separate entity, Lean Thinking treats the organization as a whole with all of the processes interconnected.
 - b) Prioritize key processes and develop a view of the current state using detailed process maps and analysis to help identify major gaps and waste.
 - c) Establish a cross-functional team to create a vision of the future state of each process and the roadmap to achieve the short and long term results.
 - d) Assess organizational readiness factors such as a process view, developing a culture focused on improvement, and an understanding of the customer and the 'value' within the organization provide the foundation for process improvement.
 - e) Commit adequate resources and time to training and development and external expertise and support.
 - f) Develop a communication strategy and plan.
 - g) Become proficient in the use of typical process improvement tools and techniques including: Rapid Improvement or Kaizen events, process mapping, value stream mapping, and the Define Measures, Analyze, Improve and Control (DMAIC) methodology for Six Sigma, Root Cause Analysis, Plan-Do-Check-Act (PDCA) Cycles, and failure mode and effects analysis (FMEA).
 - h) Understand that process improvement is a long term effort and not a short-term fix. Do not try to merely improve the existing processes, rather invent completely new ways of accomplishing work. Similarly, do not seek to make marginal improvements, rather aim at dramatic improvements. Embrace this as an

ambitious and rule-breaking approach focused on business processes rather than organizational boundaries.

- i) Include information technology as a major enabler for new ways of working and collaborating within an organization and across organizational borders.
- j) Avoid barriers to success including disengaged leadership, ineffective communication strategy, no sense of urgency, inadequate monitoring and evaluation of outcome, limited employee engagement, inadequate resources, and the command and control structure often prevalent within public sector organizations.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Engage business process re-engineering expertise.	
3. Catalog process improvement targets.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when at least three key work processes, e.g., facility complaint investigations, state licensing surveys, and citation/penalty issuance, have been measurable improved (i.e., fewer hours expended, improved outcomes, or both) using the Lean Thinking approach.

RECOMMENDATION #19

Deploy IT Hardware and Software Upgrades

Technology plays a central role in the business of licensing and certifying California's health care providers. L&C staff engage in numerous work processes to address its mandates, and the Department has made significant investments in information technology equipment, software, and staff to support these L&C work processes. To ensure that the Program is able to leverage these information technology investments to the benefit of L&C stakeholders, staff have devoted considerable time to creating policies, procedures, documentation and training that help employees use these technologies effectively.

Technology by itself cannot improve an organization's efficiency or reliability. A business process improvement opportunity or problem must first arise, improvement solutions must be designed based on business requirements, and new technologies may be considered among various solution design alternatives. Selection of the best solution among the alternatives will be weighed based on total cost of ownership (i.e., new staff, equipment and hardware costs plus incremental costs for ongoing usage), implementation risks, and the degree to which they meet solution requirements.

Modern information technologies have a role in solutions that can reliably and cost-effectively meet process improvement needs. However, solutions whose requirements are not well understood, poorly designed, or not thoroughly tested can be more expensive and less reliable than low-tech approaches. Indeed, paper-based checklists have proven to be among the most effective means for improving reliability and reducing costs in healthcare, aviation and other industries.¹⁷

Technologies are most effective in improving reliability and efficiency if the business processes they are supporting has business rules (e.g., the various decisions and steps during a complaint

17 Gawande, Atul. 2010. *The Checklist Manifesto: How to Get Things Right*. New York, NY: Metropolitan Books.

investigation) that are well-understood by both system designers and system users. These rules can be extensive and can accommodate exceptions, but these rules and exceptions must be mapped-out clearly as established alternative routes of the process flow.

However, instead of technology improving the efficiency of the workforce, sometimes business processes are built around technologies in an accommodating fashion. Work-arounds and shortcuts can plague the reliability of these obsolete systems, especially in cases where technologies have not kept up with changes in business requirements. New systems also may have become instantly obsolete when they are rolled out, which can occur if the business requirements they were intended to support were not fully understood or appreciated by a system's designers.

Several capability gaps related to the technologies L&C staff use were identified during the Hubbert Systems assessment and are addressed with this recommendation. Most critically in need of remediation are the data discrepancies caused by lack of documentation on data input and reporting methods. Limited employee access to updated information (e.g., performance metrics, Program policies, information systems) also is addressed in these recommendations. In addition, existing technology investments must be either retired or reconfigured so that funds and time can be leveraged most beneficially.

There are several recommendations in this document upon which IT improvements are dependent. Reliable data are essential to supporting the development of key performance indicators (#6). In addition, consolidating and streamlining essential business processes (#18) inevitably will involve updating existing technologies or implementing new IT systems. Also, as policies and procedures are updated (#20), there may need to be modifications to the technologies used to support them (and the technology aspects of the documentation subsequently would be updated as well).

Several L&C initiatives currently support activities associated with this recommendation. These include the various outreach activities from ITSD L&C Support Section and the data quality improvement workgroup led by the Staffing Audits and Research Branch. The Program also is considering various upgrades or replacements of existing systems, notably the technologies used to track and estimate L&C staff workload.

Implementing initial improvements to L&C data systems should start within 6-12 months, is expected to take 12-18 months, and includes the following recommended actions:

- 1) **Establish a Project Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts on the team should include headquarters and field managers, supervisors, HFENs, IT experts, and other research, analytical and support staff.
- 2) **Map Processes to Systems.** Catalog and prioritize key L&C business processes, and identify the technologies that support these business processes. Note that the highest priority business processes will be those that support a) the clearly stated objectives or performance measures selected by L&C executives and b) business processes that are core to the daily work of L&C staff.
- 3) **Highlight Misalignment.** Select one or more high priority business process (e.g., investigate a complaint, submit survey findings), and verify alignment between Program objectives, regulatory requirements, policies, procedures, business processes, data entry, data storage, training and performance measures related to this process. Identify situations in which the role of technologies used to support the business process is unclear, non-standardized, outdated or incorrect.
- 4) **Standardize and Document.** Prioritize remediation opportunities discovered during the business process reviews, and update L&C policies and procedures for entering data into essential data systems (e.g., HAL, ASPEN). In addition, clearly describe how the data

entered during the business process are used for performance measures (e.g., time to close a complaint investigation).

- 5) **Expand Access to Internal Portals.** Use SharePoint as centralized data collection and reporting portal, and advertise its availability to all staff. In cases where reliable data are not readily available from automated systems, standardized reporting tools should be developed to facilitate collection of key performance information on SharePoint (e.g., as SharePoint forms or Excel templates). Grant specified users with rights to update content, and restrict most users to read-only access so they may view standard L&C performance reports, updates policies and procedures, etc.
- 6) **Create Centralized Data Mart.** Data from key systems should be scheduled for regular extraction, transformation and loading into a separate, centralized repository for common use by those who run standard or ad hoc reports for the Program. A common library of stored procedures or ‘code’ used to run these reports would be available to data users so that methodologies could be re-used as needed, with appropriate rights granted to ensure standardized reports are not modified unexpectedly. These sharable templates would include linkages between data sets (both internal and external) that could be re-used by co-workers. Access would be granted to staff in research and analytic classifications with a need to know, and all staff with access would be provided documentation and basic training on reporting capabilities. The L&C data mart initially could be a pilot project upon which the Program could build.
- 7) **Improve Data Reliability.** A portfolio of data quality reports should be created to evaluate the completeness, accuracy, timeliness and reasonability of data input into essential data systems. These data quality reports are especially important where business rules have not been programmed into the system design or user interface, which otherwise would have supported improved data conformity. An initial portfolio of reports would examine data elements most essential for Program monitoring (i.e., as required to evaluate performance in a ‘starter set’ of Key Performance Indicators described in the Recommendation #6). A monthly summary report would include an

overview of major data quality issues and the status of any improvement actions taken.

Background documentation for reports would be maintained centrally and include the following elements:

- a) Methodology used to create the reports, including data source(s) and data element(s) examined in the report.
 - b) Timeframes for running the reports (at least monthly).
 - c) Tolerance thresholds for completeness, accuracy, timeliness and reasonability, over which variation is considered unexpected.
 - d) Target audience and expected actions (e.g., acknowledgement from District Office supervisor of data aberration and corrective action plan or explanation).
- 8) **Leverage Mobile Technology Investments.** The state has devoted considerable funding to support the efficient use of surveyor time in the field, including investments in laptop computers, tablets and, in some cases cellular devices. Laptops and tablets should always contain the latest state and federal regulations, policies, procedures and forms, all of which should be available in electronic format and regularly synchronized to these devices. Computers and tablets used in the field should be able to tether or access wifi via state-issued surveyor cellphones in cases where internet access, or secure access to CDPH servers, is required. If access to tablets or laptops is limited, district offices should create a pool of devices for surveyors to check out. Program policies on the use of mobile devices should be updated to ensure the most cost-effective use of the Department's existing and ongoing mobile technology investment.
- 9) **Pinpoint Software Slowdowns.** Analyze database, software, network, hardware and user factors that contribute to wait times for application users in general, focusing first on ASPEN. Leverage existing IT analyses and work with CMS or other states to explore alternative ASPEN configurations or installations that could improve application responsiveness.
- 10) **Release Better Data.** Improve the usability and value of the CDPH internet site by providing more timely and flexible access to L&C provider, survey and complaint data.

Evaluate the feasibility of providing detailed data for both state and federal-level activities similar to that provided by CMS¹⁸, including the option of downloading entire data sets.

- 11) **Prioritize Upgrades.** As part of the improvement activities described above, the project team will identify potential IT system changes, upgrades or replacements. The team will track, describe, and prioritize these issues and assist Program leaders with ongoing IT-related decisions.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date*
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Create business process catalog, including prioritizations and mapping to existing technologies.	
3. Produce results of initial business process review(s).	
4. Draft policies and procedures that include updated descriptions of linkages to IT systems, data entry and performance reporting.	
5. Develop list of proposed SharePoint sites for data collection, reporting, and documentation storage, including content descriptions and 'owners'.	
6. Create L&C data mart specifications and proposed user list.	
7. Design portfolio of standardized data quality reports, including reporting schedule, documentation of methodologies, and issue tracking process.	
8. Update mobile device policy.	
9. Update findings and recommendations from collaborative review of current CDPH ASPEN configuration.	
10. Develop updated requirements, specifications and work plan for making detailed provider, licensing, certification, survey, deficiency and complaint data available to the public on the CDPH website.	
11. Establish IT Issue/Change Log.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered materially complete when the business process and technology maps have been completed; policies and procedures have been updated; and requirements for IT upgrades have been approved.

18 "Official Nursing Home Compare Data", Centers for Medicare and Medicaid Services, accessed June 2014, <https://data.medicare.gov/data/nursing-home-compare>

RECOMMENDATION #20

Update Policies & Procedures

Comprehensive and centralized policy management that is agile enough to monitor and respond to changing regulatory and internal requirements provides the foundation for managers, supervisors, and staff in making decisions and handling day-to-day operations. Current and easily accessible policy and procedures for all employees are essential for the L&C Program.

L&C Field Operations staff use the CMS State Operations Manual (SOM) as a key resource for conducting federal survey and certification workload. In addition, some managers have developed comprehensive policy and procedure manuals for their specific section or unit. However, the overall framework, timeline, and structures in place to coordinate and manage internal policy and procedure update efforts are underdeveloped, non-standardized and under-resourced. This presents the Program with an opportunity to update and harmonize its policies and procedures.

Current and easily accessible policies and procedures will contribute to improved communication (Recommendation #17). Also, greater efficiency and productivity supported by uniformity and consistency in decision-making and operational procedures (Recommendation #18) will be enhanced with access to current written policies and procedures. Initial and ongoing training (Recommendations #13, 14 and 15) will be improved. As policies and procedures are updated, staff may find redundant, conflicting, or out-of-date regulations that the Program must escalate to control agencies (Recommendation #21). Finally, written policies and procedure are particularly important for providing direction in a time of change.

Recommendation #20, to update all L&C policies and procedures, should be commenced within 3-6 months, will take 12-18 months to make material progress, and will include the following actions:

-
- 1) **Establish a Project Team** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts on the team should include a diverse and cross-functional team to include headquarters and field managers, supervisors, HFENs, and other analytical and support staff. Coordinate this effort with the organizational restructuring described in Recommendation #4.
 - 2) **Commit Adequate Resources.** Assess resource needs and hire or contract with additional staff to ensure all L&C policies and procedures are updated within one year. In conjunction with restructuring, described in Recommendation #5, reassign current staff as indicated.
 - 3) **Evaluate Current Processes.** Evaluate L&C's current policy and procedure development and revision process, including issues related to electronic and remote accessibility.
 - 4) **Coordinate with Process Improvement Efforts.** Coordinate policy and procedure development and updates with work process improvements (Lean Thinking) that are implemented so that changes are captured and policies and procedures are updated in "real-time." This will involve assigning or designating key staff to each of the process improvement initiatives. Also coordinate with all L&C change initiatives described in this report, including dedicated staff to capture and record changes to policies and procedures.
 - 5) **Coordinate with IT Updates.** Coordinate policy and procedure development and updates with all IT hardware and software upgrades that are implemented. (Recommendation #19).

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date
1. Identify Executive Sponsor and Project Team (per Recommendation #2).	
2. Assign new or redirected staff.	
3. Catalog current policy promulgation practices.	
4. Identify liaison with improvement initiatives (see Recommendation #8).	
6. Identify IT liaison.	

* Target dates will be set by the Project Team and approved by the Executive Council.

This recommendation will be considered complete when updated L&C policies and procedures are current and easily accessible to all staff. In addition, the infrastructure and necessary resources will be in place to ensure the Program's policies and procedures remain current.

RECOMMENDATION #21: Update Regulations

The L&C Assessment and Gap Analysis performed by Hubbert Systems noted that many of the existing regulations, for a significant number of Program operations that the Program is responsible for overseeing, are in need of updating. In addition, there are pending new regulation packages that need to be addressed. L&C has limited nursing, analytic and legal resources devoted to reviewing and proposing updated regulations. Although the Program appears to be both a) reclassifying positions to support regulation development and b) directing staff to work on these regulatory upgrades full-time, it still will require additional significant effort to work through new and existing regulations that L&C is mandated to enforce.

This recommendation is related to efforts associated with engaging key stakeholders (recommendation #3) insofar as these stakeholders may assist with prioritizing the regulations most profoundly in need of updating. In addition, efforts to reengineer key L&C work processes (#18) may involve suggesting modifications or additions to the existing body of regulations. As policies and procedures are updated (#20), reviewer may identify opportunities for regulatory clarity; likewise, when regulations are updated, policies and procedures may have to be created or updated to support the changing mandates.

To improve the regulatory framework under which L&C operates, the following actions are recommended, which are expected to take 12-18 months:

- 1) **Establish a Project Team.** This is described in Recommendation #2. (Create a Change Management and Governance Structure) and involves identifying an executive sponsor, assigning a project manager, engaging subject matter experts, and implementing a governance structure. Subject matter experts on the team would include headquarters and field managers, supervisors, HFENs, legal support, analytical staff and other internal or external subject matter experts.

-
- 2) **Catalog Existing Efforts.** L&C staff working on regulations may already have several initiatives underway to propose updates to Title 22, and work to complete the regulatory packages may be significantly underway. A list of existing efforts should include a brief description of the work in progress and the amount of time spent working on each package to date, expressed as a percentage of the total expected time to complete each package.
 - 3) **Prioritize High Impact Changes.** The project team should identify among themselves, and informally among their peers, which regulations, if changed or newly adopted, would significantly improve the efficiency and reliability of the Program's efforts to oversee the providers it is mandated to license and certify. Existing efforts should be included in this list. The prioritization methodology should be based factors such as:
 - a) the potential number of providers impacted;
 - b) the potential number of patients impacted;
 - c) the estimated staff hours required to complete the regulatory package;
 - d) the potential number of staff hours saved;
 - e) the likely reduction in appeals or overturned appeals;
 - f) potential decreases in non-staff costs or increases in penalties collected; and
 - g) potential impacts on federal funding.
 - 4) **Engage External Stakeholders.** Schedule one or more in-person sessions with impacted stakeholders to review the list of regulatory modification priorities. Elicit additional proposals from stakeholders and obtain input on the factors that would assist with the prioritization of these new ideas (i.e., using the items suggested under item #3 above). This effort would be coordinate with Recommendation #3 (Engage External Stakeholders).
 - 5) **Allocate Staff.** Following the stakeholder meetings, the project team would re-prioritize the proposed list as necessary. Based on the total number of estimated staff hours required to complete each regulatory package, a cumulative total number of hours

could be calculated for the force-ranked list. The team's executive sponsor would help identify the total positions that possibly could be allocated to updating the highest priority recommendations. These staffing assignments would represent the maximum cumulative total hours over which lower-priority recommended regulation changes would be deferred. These staff should be assigned to this function permanently and full-time.

- 6) **Circulate Draft Plan.** Staff assigned to the regulation packages would proceed through the development and review steps required to draft packages for each of the high priority initiatives selected. A summary of each package would be submitted for public comment prior to finalizing the package for control agencies.
- 7) **Submit Updated Package.** After reviewing and incorporating useful input from stakeholders, L&C would follow its established processes for escalating the regulatory packages to control agencies thorough the proper channels
- 8) **Reserve Remaining Priorities.** A log of additional regulatory priorities would exist, upon which L&C could build. The project team would be reassembled to support the permanently assigned regulatory review staff.

Milestones and outcomes for this recommendation include the following:

Milestone/Outcome	Target Date
1. Identify Executive Sponsor and Project Team (per Recommendation #2)	
2. Create catalog of existing regulatory initiatives.	
3. Establish log of potential regulatory changes, including factors supporting prioritization.	
4. Develop stakeholder mailing lists and meeting agenda templates.	
5. Create regulation support staffing plan and assign positions.	
6. Draft summary of proposed regulatory changes.	
7. Create regulatory package(s) for legislature	
8. Update log of potential regulation changes (see #3)	

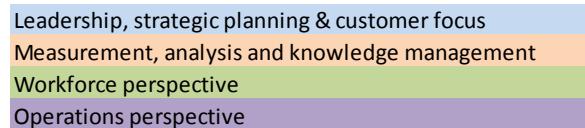
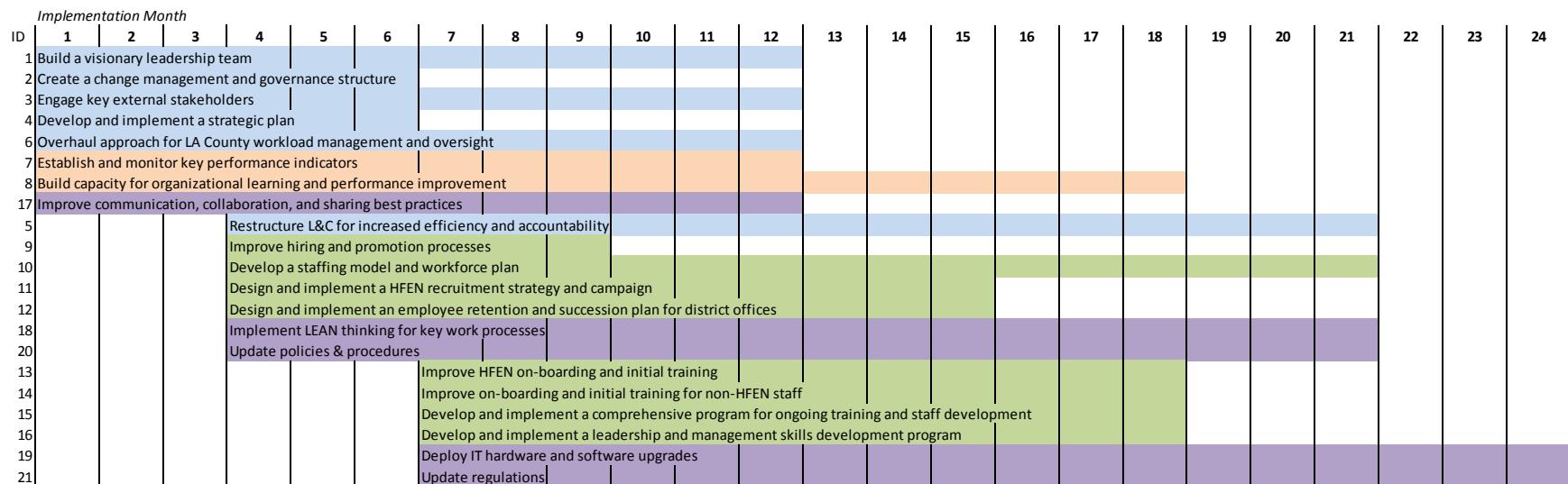
* Target dates will be set by the Project Team and approved by the Executive Council.

APPENDIX 1: Preliminary Implementation Road Map and Timeline

Leadership, strategic planning & customer focus		Priority	Start*	Effort	Duration
1	Build a visionary leadership team	Urgent	Immediate	Moderate	6-12 months
2	Create a change management and governance structure	Urgent	Immediate	Modest	3-6 months
3	Engage key external stakeholders	Urgent	Immediate	Moderate	6-12 months
4	Develop and implement a strategic plan	Urgent	Immediate	Modest	3-6 months
5	Restructure L&C for increased efficiency and accountability	High	3-6 months	Significant	12-18 months
6	Overhaul approach for LA County workload management and oversight	Urgent	Immediate	Moderate	6-12 months
Measurement, analysis and knowledge management					
7	Establish and monitor key performance indicators	Urgent	Immediate	Moderate	6-12 months
8	Build capacity for organizational learning and performance improvement	Urgent	Immediate	Significant	12-18 months
Workforce perspective					
9	Improve hiring and promotion processes	High	3-6 months	Modest	3-6 months
10	Develop a staffing model and workforce plan	High	3-6 months	Significant	12-18 months
11	Design and implement a HFEN recruitment strategy and campaign	High	3-6 months	Moderate	6-12 months
12	Design and implement an employee retention and succession plan for district offices	High	3-6 months	Moderate	6-12 months
13	Improve HFEN on-boarding and initial training	Medium	6-12 months	Moderate	6-12 months
14	Improve on-boarding and initial training for non-HFEN staff	Medium	6-12 months	Moderate	6-12 months
15	Develop and implement a comprehensive program for ongoing training and staff development	Medium	6-12 months	Moderate	6-12 months
16	Develop and implement a leadership and management skills development program	Medium	6-12 months	Moderate	6-12 months
Operations perspective					
17	Improve communication, collaboration, and sharing best practices	Urgent	Immediate	Moderate	6-12 months
18	Implement LEAN thinking for key work processes	High	3-6 months	Significant	12-18 months
19	Deploy IT hardware and software upgrades	Medium	6-12 months	Significant	12-18 months
20	Update policies and procedures	High	3-6 months	Significant	12-18 months
21	Update regulations	Medium	6-12 months	Significant	12-18 months

*Contingent upon internal and control agency approvals

CDPH L&C Remediation Recommendations
Proposed Implementation Timeline
June 2014 DRAFT



Note: Timeframes are contingent upon internal and control agency approvals

APPENDIX 2: LTC Dashboard and Performance Metric Examples

Possible Core, Component and Supplemental Measures for L&C LTC Dashboard Shell

External distribution subject to CMS approval

SNF Facilities	Complaints, non-IJ Investigated On-Time	
SNF Beds	Total ERIs Investigated On-Time	
Non-SNF LTC Facilities	Total Complaints Investigated On-Time	
Non-SNF LTC Beds	Total IJ Complaints / ERIs Investigated On-Time	
Total LTC Facilities*	Total non-IJ Complaints / ERIs Investigated On-Time	
Total LTC Beds	Total Complaints / ERIs Investigated On-Time	
Licensing Surveys Required	ERI, IJ Investigated Late	
Certification Surveys Required	Complaints, IJ Investigated Late	
Total Surveys Required	ERI, non-IJ Investigated Late	
Surveys Completed On-Time	Complaints, non-IJ Investigated Late	
Surveys Completed Late	Total ERIs Investigated Late	
Total Surveys Completed*	Total Complaints Investigated Late	
Prior Period Survey Backlog	Total IJ Complaints / ERIs Investigated Late	
Current Period Survey Backlog	Total non-IJ Complaints / ERIs Investigated Late	
Total Survey Backlog	Total Complaints / ERIs Investigated Late	
On-Time Survey %*	ERI, IJ Investigations Commenced	
Reports Required	Complaints, IJ Investigations Commenced	
Reports Completed On-Time	ERI, non-IJ Investigations Commenced	
Reports Completed Late	Complaints, non-IJ Investigations Commenced	
Total Reports Completed	Total ERIs Investigations Commenced	
Prior Period Report Backlog	Total Complaints Investigations Commenced	
Current Period Report Backlog	Total IJ Complaints / ERIs Investigations Commenced	
Total Report Backlog	Total non-IJ Complaints / ERIs Investigations Commenced	
On-Time Report %*	% Complaints / ERIs Investigated On-Time*	
ERI, IJ	ERI, IJ Closed On-Time	
Complaints, IJ	Complaints, IJ Closed On-Time	
ERI, non-IJ	ERI, non-IJ Closed On-Time	
Complaints, non-IJ	Complaints, non-IJ Closed On-Time	
Total ERIs	Total ERIs Closed On-Time	
Total Complaints	Total Complaints / ERIs Closed On-Time	
Total IJ Complaints / ERIs	Total IJ Complaints / ERIs Closed On-Time	
Total non-IJ Complaints / ERIs	Total non-IJ Complaints / ERIs Closed On-Time	
Total Complaints / ERIs*	Total Complaints / ERIs Closed On-Time	
ERI, IJ Requiring Investigation	ERI, IJ Closed Late	
Complaints, IJ Requiring Investigation	Complaints, IJ Closed Late	
ERI, non-IJ Requiring Investigation	ERI, non-IJ Closed Late	
Complaints, non-IJ Requiring Investigation	Complaints, non-IJ Closed Late	
Total ERIs Requiring Investigation	Total ERIs Closed Late	
Total Complaints Requiring Investigation	Total Complaints Closed Late	
Total IJ Complaints / ERIs Requiring Investigation	Total IJ Complaints / ERIs Closed Late	
Total non-IJ Complaints / ERIs Requiring Investigation	Total non-IJ Complaints / ERIs Closed Late	
Total Complaints / ERIs Requiring Investigation	Total Complaints / ERIs Closed Late	
ERI, IJ Investigated On-Time	ERI, IJ Investigated On-Time	
Complaints, IJ Investigated On-Time	Complaints, IJ Investigated On-Time	
ERI, non-IJ Investigated On-Time	ERI, non-IJ Investigated On-Time	
		*Proposed measures for L&C LTC Dashboard

Phase 1 L&C Dashboard:

LTC Measures

12-Month Rolling Periods

Ending 6/30/14

			TARGET	Bakersfield	Chico	East Bay	Fresno	LA East	LA North	LA San Gabriel	LA West	Orange County	Riverside	Sacramento	San Bernardino	San Diego North	San Diego South	San Francisco	San Jose	Redwood Coast	Ventura	State Facilities Unit	STATEWIDE	
Surveys	Prior	Surveys	NA																					
	Current	Surveys	NA																					
Complaints / ERIs	Prior	On-Time Survey %	92%																					
	Current	On-Time Survey %	89%																					
Complaints / ERIs	Prior	On-Time Report %	95%																					
	Current	On-Time Report %	92%																					
Complaints / ERIs	Prior	Complaints / ERIs	NA																					
	Current	Complaints / ERIs	NA																					
Complaints / ERIs	Prior	On-Time Review %	98%																					
	Current	On-Time Review %	95%																					
Complaints / ERIs	Prior	On-Time Closure %	92%																					
	Current	On-Time Closure %	89%																					
Complaints / ERIs	Prior	Review Interval	NA																					
	Current	Review Interval	NA																					
HR	Prior	Vacancy Rate	NA																					
	Current	Vacancy Rate	NA																					
FYI	Current	Facilities	NA																					
	Current	Positions	NA																					

Performance Summary

- > Statewide observations and underlying data driving trends
- > Statewide improvements and likely causes
- > Statewide performance worsening or below target, and planned or ongoing remediation activities
- > DO observations and underlying data driving trends
- > DO improvements and likely causes
- > DO performance worsening or below target, and planned or ongoing remediation activities

GRAPHIC MOCK-UP (DATA NOT REAL)

