



Oregon

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Office of Forecasting, Research and Analysis
Department of Human Services / Oregon Health Authority
Caseload Forecasting Audit Response
July 30, 2013

The following is an initial report provided for by HB 3291 (2011) which directs state agencies audited by the Secretary of State to disclose the results of the audit and submit a written report about changes the agency is making to implement the audit recommendations. Secretary of State Audit number 2013-03 entitled *Health and Human Services Caseload Forecasting: Ways to Increase Confidence*, made recommendations to the Office of Forecasting, Research and Analysis relating to strategies to improve forecasting confidence. The full audit including the combined Department of Human Services and Oregon Health Authority (DHS|OHA) response is available from the Secretary of State's webpage at: http://www.sos.state.or.us/audits/pages/state_audits/full/2013/2013-03.pdf

The DHS|OHA updated actions are provided in *italics* below.

The audit report recommended the Office of Forecasting, Research and Analysis consider the following strategies to improve forecasting confidence:

1. Consider creating a policy oversight committee responsible for review and adoption of caseload forecast policies and procedures, and to help ensure forecaster independence.

A technical oversight committee is being created to:

- 1) *Review and make recommendations to the DHS|OHA Joint Operations Steering Committee (JOSC) concerning the forecast unit's policies, procedures, governance, methodologies, etc.*
- 2) *Serve as an independent channel for forecasters (or anyone else) to raise issues they perceive as jeopardizing or affecting forecast quality or forecaster independence.*

A charter for the committee has been drafted and reviewed by DHS COO, OHA COO, DAS CFO and LFO. During the committee's first meeting (no later than October 2013) the charter will be reviewed, discussed, modified. When approved

by the committee, the charter will be submitted to JOSCS for final approval and then implemented. Committee members are currently being recruited, with recommendations solicited from Senator Devlin, John Mullin (HSCO), DHS/OHA executive and program leadership, DAS and LFO.

2. Continue to use the eight caseload forecast advisory committees as the arena to debate forecast risks, assumptions, and methodology, and to advise the forecasters on the caseload forecast numbers.

The forecasting unit continues to use Caseload Forecast Advisory Committees to provide information on factors that impact program utilization, and to provide input on the proposed forecasts. Occasionally committees are added or discontinued when the forecasting need changes (e.g. the KidsConnect committee will be discontinued when the program ends in late 2013).

3. Consider adding additional external representation to the eight advisory committees from the public, academic, non-profit and/or private sectors.

Solicitations for volunteer committee members were recently sent to Senator Devlin, John Mullin (HSCO), DHS/OHA executive and program leadership, DAS and LFO. At this time, we've identified one or two additional participants for most of the committees – in time to participate in our summer 2013 mid-cycle meetings. We will continue to seek external participants to bring into the process.

In addition, the forecasting unit will continue to periodically survey external stakeholders who are not on the committees to get their input on the factors driving caseload changes.

4. Record meeting minutes of the eight advisory committees that at a minimum include the key information or issues discussed and the advisory committee's advice on the forecast numbers.

In early 2013 templates were created to capture meeting notes during both forecast development and mid-cycle meetings. The forecast meeting template was used and refined in spring 2013 and will be used on a regular basis going forward. The mid-cycle meeting template will be use and refined during the summer of 2013.

5. Regularly evaluate the forecasts and publish an annual accuracy tracking report. Include in the tracking report an analysis of both the accuracy and statistical bias of the forecasts. Use the results to identify improvements in assumptions and methodologies.

The forecasting unit has tracked and reported forecast accuracy (by program area) for many years through Monthly Caseload Variance Reports which were shared routinely with all caseload forecast committee members. Starting in March 2013, these monthly reports have been posted to the new Forecasting website (see #6).

Starting in Fall 2013, the forecasting unit will produce a new annual report which will provide a more summarized, but comprehensive view on the accuracy of the caseload forecasts across program areas and over time.

6. Continue efforts to create a public web page dedicated to the forecast unit, and post its methodologies, advisory committee membership, advisory committee meeting minutes, forecast advisory tracking reports, and the semi-annual caseload forecast reports.

*In February 2013, the forecasting unit launched a public web page:
<http://www.oregon.gov/dhs/ofra/Pages/index.aspx>*

The forecasting page can be accessed directly (single click) from both the DHS and OHA home pages, and contains work products (e.g. caseload forecasts, client overlap charts, ad hoc research reports), accuracy reports, administrative documents (e.g. governance materials, committee membership, process flowcharts, forecasting methodology), etc.

7. Include in the published semi-annual caseload forecast reports additional detail on risks, assumptions, uncertainties, and how those factors could affect caseload estimates.

When the Spring 2013 forecast was published the sections describing risks, assumptions and uncertainties were expanded. Going forward, the forecasting unit will strive to further expand this content.

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Thank you for your interest in ways to increase confidence in the DHS and OHA caseload forecasts. Please contact Betsy A Jensvold at betsy.a.jensvold@state.or.us for additional information.