

United Senior Advocate, February/March 2007

USA SPEAKS TO SERIOUS CONCERNS ABOUT THE PRIVATIZATION OF INDIANA'S PUBLIC ASSISTANCE PROGRAMS AT PUBLIC HEARING

On November 29th Governor Mitch Daniels announced his proposal to radically change the way Indiana handles public assistance. The main thrust of his plan is to outsource State case management duties to Texas based Affiliated Computer Services, Inc. (ACS), a corporate partner with IBM, for 1.6 billion dollars for ten years. The business model taken by Daniels' is to transform public assistance eligibility from a personal meeting with a knowledgeable and caring (if not also underpaid and overworked) case managers into an IBM tech support paradigm with a phone bank and web site.

Here is some background on the process and why so many people are concerned:

- Affiliated Computer Services, Inc, besides being **Mitch Roob's** (the current secretary of the Indiana Family and Social Services Administration) prior employer, has a history of ethical violations and security problems. Most recently, its two top executives were forced to resign for stock options fraud. Additionally, just this November a computer containing 500,000 people who pay or receive child-support was compromised. ACS also just lost a contract with North Carolina for their inept handling of their Medicaid billing system. Any fair analysis of ACS would leave anyone to question the wisdom of handing them the keys to Indiana's public assistance programs.
- Mitch Daniels scheduled a single public hearing just ten days after the announcement of his plan. This public meeting was held Friday, December 8th at the auditorium of Ivy Tech College of Indiana at nine in the morning. That sole public hearing rushed at the end of the process early on a weekday during the holiday season left the citizens of Indiana out cold when it came to deciding on the future of public assistance.
- The privatization scheme has had no legislative review, and will require no legislative action. FSSA director Mitch Roob is on record as saying that the contract could be put into effect before the end of the year.
- Experts in the field of public privatization of public assistance programs cannot point to a single successful example at anytime in any State in the Union. However, there are plentiful and recent examples of dramatic failures in which doomed privatization schemes have cost taxpayers millions of dollars and cost the beneficiary of services dearly. Texas and Florida remains the poster children of recent privatization schemes that have gone down in flames. It is baffling to privatization experts how anyone can still believe that the profit motive can in anyway commingle with the government and non-profit service of helping the needy, children, elderly, and disabled.

United Senior Action spoke at the one and only public hearing on the matter. After listening to an hour long powerpoint presentation given by an administration spokesman, Matthew Greenwood went on record with USA's concerns. Given merely five minutes to speak on such an enormous issue, Greenwood focused on the consequences of replacing human beings with technology in the public assistance sphere and USA's frustration with the closed door process by which the contract with ACS was reached. "United Senior Action of Indiana believes we should invest in human approaches towards serving our citizens," Greenwood expressed, and that "any execution of the contract should be postponed until there is more public input."

Other citizens, state workers, and advocates spoke up with their criticisms of the plan and called the statistics and assurances offered lies. John Cardwell of the Generations project held a report just released from IUPUI that he said "puts an 180° turn on the statistics that was presented today."

A large number of state employees gave moving testimony on how they love their job and wished only for the state to make it easier, and how they felt betrayed. They also expressed anger in losing their benefits and pensions at this stage in their lives. Several case workers gave testimonials on how they made differences in people lives by building relationships with their clients and knowing their needs. Their desperation comes out of the state's plan to cut about 1,500 of the 2,200 FSSA jobs. Although current FSSA employees are promised to be offered jobs with the corporate consortium, their new jobs at the call centers will add an estimated additional fifty or more miles to their commute each way.

United Senior Action is concerned about where the new technology centered process will leave the many who need services that does not have access to a telephone, let alone the internet. The obvious consequences of going from a process that has the human face and wisdom of the case manager, to an impersonal system of self-surveys over the phone or internet is also troubling. With the current system, the case manager is there to learn their client's needs, and then advocate and guide them through the maze of services available (about 157 at last count). That, we fear, will be lost. Also, of important note, the contract with ACS guarantees only that only one FSSA office per county will remain open. As a result offices will close across the State making face-to-face access for help even more difficult. These extensive changes to Indiana's public assistance program will break the relationship between caseworker and beneficiary.

USA is also concerned that the contract once put in place will have no citizen evaluation mechanism. Just like the beginning of the process the end also has no means for citizen and consumer input.

USA urges its members to write or phone Mitch Daniels and share these stated concerns with him and how you feel about government by business and the abdication of this State's role in public assistance in order that a company profits at the expense of the needy.