



Vulnerable citizens struggling with privatized welfare

By Sue Loughlin

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— Indiana's most vulnerable citizens — the elderly, low-income and disabled — are having a difficult time navigating the state's new privatized welfare system, local and state human service leaders said Tuesday. As a result, many of them are losing their medical, food stamp and family assistance services, the human service advocates said.

"There's a huge human crisis — a lot of harm being done," said James Wallihan, president of United Senior Action of Indiana. He spoke during a news conference at Bethany House in Terre Haute.

Under Indiana's former welfare intake system, welfare recipients met with case workers individually. The new system, being implemented gradually across the state, encourages welfare recipients to apply for benefits over the telephone or over the Internet. The new system uses a private company under a state contract to implement the intake process.

The trouble is, senior citizens and those with disabilities or mental illness often can't navigate the new computer-based system. Consequently, they lose their benefits, the local and state advocates say.

"We've taken the human out of human services," Wallihan said.

He was joined by John Cardwell, chairman of the Indiana Home Care Task Force; Glenn Cardwell, retired director of the Vigo County Department of Family and Social Services; Myra Wilkey, Vigo County director of Mental Health America, and John Etling, director of Catholic Charities of Terre Haute.

"It's fundamentally a flawed system that needs to be rebuilt around caseworkers, among other things," Wallihan said.

Glenn Cardwell said he's hearing from a number of community agencies that "a growing number of people are just giving up ... they just don't have the physical stamina to fight the system."

His reaction is, "Shame on us if we don't reach out." Other states have been able to modernize and update technology, yet still maintain their caseworkers who work one on one with their most vulnerable citizens, he said.

In July, during a meeting at Chauncey Rose Middle School, several citizens complained to elected and appointed state officials about problems with the way the state handles welfare renewals and applications under the new privatized system.

Some reported having paperwork lost several times, while others told of being put on hold on the telephone for long periods of time. Those who spoke Tuesday said those problems continue.

Glenn Cardwell said he's reviewed data, and in Indiana counties where the privatization has been completed and caseworkers removed, "Senior citizens and persons with disabilities are losing their medical, food stamp and family assistance services. The data also makes it clear that Indiana is losing many millions in federal dollars."

Elizabeth Surgener, a spokeswoman with the state's Family and Social Services Administration, said the data Glenn Cardwell referred to "is over three months old ... There are some inaccuracies in there."

In the Terre Haute area, the number of households on food stamps has increased. "In 2007, we served 5,700 households. Now, we're serving 6,231 households," she said. "We're serving more people."

Also, the number of households receiving food stamps statewide is up, she said. Last year, the number of households receiving food stamps was 494,778. This year, it is 556,646 households, she said.

The new system increases flexibility and offers more options to serve the needs of clients, she said. If they need the assistance of a caseworker, “They still have that option,” she said.

The state “has never claimed that our system was perfect,” Surgener said. But before the changes started, “It was completely broken,” she said. “We got numerous complaints about how difficult the system was” prior to the changes.

Also, Indiana ranked poorly when compared to other states in various welfare statistics.

“I can tell you the system is improving and we’ve added flexible options without taking any away,” she said. A number of community agencies are voluntarily getting trained so they can assist their clients in accessing welfare benefits, she said.

John Cardwell said the crisis is overwhelming local not-for-profit agencies that have been scrambling to fill the void left by the state.

Wilkey, of Mental Health America, said the state has shifted the burden to local not-for-profits such as her agency, where staff members — with no funding from the state — are helping clients obtain their benefits. Etling said the more modern, privatized system may be great for many people, but “there’s obviously a lot that are falling through the cracks,” he said. “It’s trying to put a square peg in a round hole. It’s not going to fit.”

John Cardwell said legislators are hearing about the problems, and some have asked him to assist in drafting legislation to fix what’s broken.

“We know we have a huge problem ... and we know it needs to be fixed,” John Cardwell said.

Bringing back caseworkers would top the list in terms of what needs to be done, he said.

Also, performance standards are needed for the new system. That way, the General Assembly “has the ability to cut this off, or force a change, if performance targets are not hit,” John Cardwell said.

Wallihan said for the crisis to be solved, two things must happen. “We must know the underlying financial logic behind the decision to privatize and modernize Indiana’s public assistance system,” he said.

“What was the financial justification behind the 10-year \$1.16 billion contract executed between FSSA [Indiana Family and Social Services Administration] and the IBM/ACS business coalition?” he asked.

Also, “caseworkers must be brought back as soon as possible,” Wallihan said.

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