

State to probe welfare overhaul

Bipartisan council concerned benefits are being denied

By Eric Bradner

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EVANSVILLE — Faced with increasing complaints over a 10-year, \$1.16 billion deal to modernize Indiana's welfare-eligibility system, state lawmakers have decided to investigate whether the team led by IBM Corp. is living up to its responsibilities.

The Legislative Council, a bipartisan panel made up of leaders from the Democratic-controlled House and the Republican-led Senate, voted unanimously Monday to have the State Budget Committee look into the modernization project this summer.

Southwestern Indiana lawmakers made several attempts to bring the project under review while the General Assembly was in session earlier this year, but they were rebuffed when their bills died in the Senate, partly because of opposition from Gov. Mitch Daniels' administration.

Monday's decision signaled growing concern over whether the new system is improperly denying benefits to those who qualify, and could hint at an erosion of the opposition Senate Republican leadership has had to legislative intervention.

Rep. Suzanne Crouch, the Evansville Republican who authored a bill during this year's regular session to halt the modernization project until a legislative panel was satisfied improvements had been made, called news of the investigation "pretty encouraging" and said it is gratifying to see concerns area lawmakers have expressed for months validated.

"Better late than never," she said.

Rep. Dennis Avery, the lone State Budget Committee member from Southwestern Indiana, echoed those sentiments.

"I'm glad that finally there's some recognition of the problem," Avery said.

"I wish that they (legislative leaders) hadn't waited so long to take action. We continue to pour money into this system that's not working, and people are being damaged by it."

Though lawmakers cheered the decision, they noted three Republicans — two lawmakers and state Budget Director Chris Ruhl — are on the five-member panel. That could give the Daniels administration some measure of control over the outcome.

Daniels' administration signed the deal in 2006 in hopes of improving efficiency and reducing fraud and waste in Indiana's Family and Social Services Administration.

The team of contractors shifted resources from the old system of caseworkers in local offices in favor of a statewide call center and document processing system in an effort to update the way the state handled applications for benefits such as Medicaid, food stamps and Temporary Assistance for Needy Families.

The system had been rolled out in 59 of Indiana's 92 counties before FSSA Secretary Anne Murphy voluntarily paused the rollout early this year.

Murphy recently said the IBM-led team submitted a "corrective action plan" consisting of more than 200 fixes aimed at alleviating some of the concerns lawmakers have expressed, such as long waits on hold with the call center and lost documents within the online system.

Daniels applied pressure in conversations with the contractors' top executives earlier this year, Murphy said. But critics said it's too little, too late from an administration that advocated for the modernization.

Murphy said she expects to see improvements by the time statistics showing performance during the current fiscal quarter become available in mid-October. If the state is not satisfied, steps could include fining the contractors or canceling the contract — a move Daniels and Murphy both have resisted.

During Monday's Legislative Council meetings, lawmakers also created a panel to study gambling issues. That panel, which includes Sen. Bob Deig, D-Evansville, and Rep. Trent Van Haaften, D-Mount Vernon, will be conducting the first comprehensive review of Indiana gaming law since 1993, Legislative Council leaders said.

Topping the gambling study committee's agenda will be consideration of a proposal by northwestern Indiana lawmakers to allow Gary to move one of its two riverboats to a more profitable location.



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