

Because of welfare privatization...

Hoosiers Denied Critical Medical Care, Food and Shelter

Many citizens have been placed in peril by Indiana's new system of privately managed, taxpayer funded medical, nutrition and family support services. These are people who struggle to survive every day. That's because their incomes are very low and they have significant impairments due to aging, illness, physical or developmental disabilities, accidents or mental health issues.

These are citizens who have a very hard time doing many of the things most Hoosiers never have to worry about. Their challenges may include disabilities that interfere with one or more of the following: eating, bathing, walking, speaking, seeing, thinking, or moving about their homes and neighborhoods. With few dollars to live on they often have trouble maintaining shelter, heat or food. The smallest problems can become life threatening.

Throughout the state large numbers of these citizens are losing long established publicly funded services through the following programs: Medicaid, the Supplemental Nutrition Assistance Program (food stamps), and Temporary Assistance for Needy Families. The fact that other Hoosiers in this sour economy are losing their jobs compounds and masks their plight.

There is little disagreement regarding the existence and the cause of the crisis.

Churches, food banks, United Way agencies, trustee offices, the Salvation Army, family members, friends, volunteers, and state legislators are struggling to cover the needs of these citizens. These agencies and individuals are using money and time intended for other important services to do the job that is legally and morally the responsibility of the Indiana Family and Social Services Administration (FSSA) and that agency's Division of Family Resources (DFR).

FSSA and DFR walked away from their obligations to serve the most vulnerable of Hoosiers when they crafted and executed a contract to farm out their responsibilities to a consortium of private for-profit companies led by IBM and Affiliated Computer Services (ACS). Governor Daniels signed that contract and under its provisions, two-thirds of all DFR caseworkers were transferred to the IBM coalition on March 19, 2007. On that day, in every county in the state, the crisis to survive began for our impoverished fellow citizens who have life-altering disabilities.

As reported in hundreds of stories carried by newspapers, radio and television since DFR was privatized, people are not getting services because they have few public caseworkers to help them. People who are poor do not have computers and most have only limited hours of calling time if they do have a telephone. People with visual, hearing, arthritic, mental health, and developmental disabilities often cannot use telephones and computers even if they are available....and many of these same people cannot drive and have no cars. But under the new privatized system they are expected to get through an eligibility process that is computer and telephone based without the assistance of a caseworker.

Public confidence in the state's ability to manage the new system was dramatically shaken when an investigation by the Associated Press revealed the state had secretly amended the contract with IBM on four separate occasions, the last coming in May 2009 as the General Assembly was in special session trying to address the state's funding crisis. The four amendments raised the price of the ten year contract from \$1.16 billion to \$1.34 billion. These secret amendments raise the specter of ongoing cost over-runs.

The equivalent of cost over-runs happen every time a hospital or a nursing home is not paid for serving a Medicaid client, and when charities and food banks are left without resources because IBM is not meeting all of its obligations to the poor. These shifted costs by the contractors become brutal when frail seniors, profoundly disabled adults, and gravely ill children that have no money cannot get medical care and food. In these cases, sickness and hunger become measures of the costs that are avoided in the pursuit of corporate profits.

Bluntly stated, the new privatized system may make money for IBM and ACS but it is draining untold millions from others. Local volunteers, charities, food banks, trustees, and churches that are trying to fill the need that has been created by the abandonment of the people FSSA and DFR are obligated to serve and protect.

What is going to happen and can we as citizens help solve this mess?

In 2009, IBM and ACS hired expensive and high profile corporate lobbyists to block efforts by members of the General Assembly to address this crisis. Legislators, such as State Rep. Bill Crawford (D-Indpls.) and State Senator Vaneta Becker (R-Evansville), tried without success to convince the majority of their colleagues to act. The tide of opposition created by IBM, ACS and the Governor's office was too great to overcome. A bill that requires weak self-reporting by FSSA and IBM to the legislature's Select Joint Commission on Medicaid Oversight, House Enrolled Act 1572, was the only piece of oversight legislation that managed to pass the General Assembly.

Nonetheless, there are signs of hope. Members of the U.S. Congress are beginning to take a serious look at Indiana because of the pervasive violations of federal Medicaid and food stamp laws through the privatized system. Complaints filed by harmed citizens with Congress and federal agencies have soared. The Food and Nutrition Service of the United States Department of Agriculture, which oversees the federal food stamp program, has put Indiana on the clock for possible financial sanctions because of the

failure of the new system to properly administer nutrition assistance. Two U.S. Representatives from Indiana, Andre Carson and Baron Hill, have asked the Secretary of the USDA to intervene because of the apparent incompetence of the private contractors.

Numerous complaints continue to be filed by harmed citizens with the General Assembly and the Governor's office. Multiple client law suits have been filed. In recent weeks, the General Assembly's Legislative Council ordered the State Budget Committee to investigate the administration of the privatized welfare system. That action came after the legislature's special session ended and the new revelations by the AP became public.

Recently, FSSA Secretary Ann Murphy announced IBM must institute a "corrective action plan" or face a possible contract termination action by that agency in October. Secretary Murphy's announcement and open acknowledgement that the new privatized system is operating poorly is a much needed and refreshing breakthrough. Unfortunately, core solutions, such as returning a full complement of state employed and fully qualified caseworkers to each of the state's 92 counties appear to be missing from that plan. Other necessary steps to create a better system have not even been discussed, such as allowing caseworkers to work in depth with vulnerable citizens to make sure they get the services they truly need and to treat them with the dignity that is so necessary for good human health.

In the end, in order to have quality Medicaid, food stamp, and TANF services provided with humanity fundamental change must happen. For that to occur, far more Hoosiers must be engaged in the policy process. That is the good news. *We* are the citizens of the state. Each of us can play a roll in changing this system that is so harmful to our neighbors, friends and families. In this regard, The Generations Project has crafted for the Indiana Home Care Task Force a set of model solutions to the welfare crisis. It is the intent of the Task Force and the Project to establish an educational dialogue with citizens throughout the state regarding positive solutions to the public benefits crisis created by privatization.

Before the \$1.34 billion contract with the IBM alliance was signed debates over its chances for success or failure had already started. The debate is now over. The radical experiment is now deemed a failure. That failure in lives and money is too big to continue.

The privatized system was marketed and sold to the state for corporations chasing profits from taxpayer dollars. The future system that will replace it must be truly humane, operate within the law, competent, and worthy of our prudent Hoosier heritage. The future system must be put in place by and for the good people of Indiana.