

The Senate of West Virginia
Charleston



ERIC J. TARR
CHAIR
COMMITTEE ON FINANCE

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Aaron Allred
Legislative Manager
West Virginia Legislature
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RE: Joint Committee on Government and Finance

Mr. Allred;

On behalf of the Senate Finance Committee, I am requesting that the Joint Committee on Government and Finance investigate and require reporting from the Cabinet Secretary of the West Virginia Department of Health and Human Resources on several issues of concern within the department that merit the Joint Committee's attention. These issues of concern were brought to light in the January 31, 2022, DHHR Budget Hearing and are enumerated below.

1. Out of state placement of foster children with expenses totaling over \$140,000,000 over the past three years.
2. The management of funds allocated to FTEs for temporary contract nurses and if they are returned to General Revenue.
3. Forensic Group Homes
 - a. These are not funded by appropriation of the legislature. Yet the Department is increasing the liability for operation of these homes while not decreasing the expense burden on William R. Sharpe, Jr., and Mildred Mitchell-Bateman hospitals. This will eventually create a situation where the legislature will have no option but to fund this growing expense or find alternative care for these patients. Currently it would be a greater than \$4 million liability.
 - b. The Forensic Group Homes receive adults from Sharpe and Bateman hospitals that have committed crimes and have been judged insane or incompetent for psychological issues. Hence, they go from secure facilities to much less secure homes in communities that do not know the propensities of these individuals. There is potential for murderers, rapists, and arsonists who are now judged by the court to have their psychological issues managed to increase risk to the community where they are placed. As these individuals leave the hospital, those beds are filled, growing the overall expense. Is this something the State of West Virginia should permit to continue?

4. The All-Payer Claims Database legislated and enacted in 2016 and contracted out to IBM for \$45 million in 2018 has yet to become functional. What is the issue and status?
5. Vital Statistics that tracks deaths and was supposed to improve efficiencies with death certificate delivery is still not fully functional. It was awarded to a vendor around 2016. Money was paid to the vendor, then the contract was negated for failure to deliver, then was re-procured. No acceptable explanation was provided for the delay nor the expense to the state for its delay. They need a detailed explanation.
6. The Integrated Eligibility System with the purpose of increasing efficiency throughout DHHR and CPS case management original RFP was completed in 2016. Because of the costs exceeding \$500 million it was re-bid in 2017. The vendor was procured for \$317 million. It was supposed to be implemented 29 months from procurement, and now at 67 months is still not implemented. There has been a change order of \$30 million recently and an additional \$100+ million lost by the vendors supporting DHHR. The monetary cost here of delay is unacceptable but nothing compared to the loss of human capital for the State's Investment not being realized.

It is our request that the Joint Committee on Government and Finance work to recommend a plan of action to address these problems.

Respectfully,



Eric J. Tarr
Chairman, Senate Committee on Finance

cc: Craig Blair, Senate President
Roger Hanshaw, House Speaker