



## **Supermarkets in the Market for Human Services?**

### **The Challenge of Integrating Services in the Provision of Human Services**

Presented by Mark Moore, Guggenheim Professor  
Kennedy School of Government

At the Governor's Commission on Mental Retardation  
Institute on Enhancing Interagency Collaboration  
Hoagland-Pincus Conference Center, Shrewsbury, MA  
December 10, 1999

DRAFT

## I. Introduction

Twenty five years ago as a young Assistant Professor at the Kennedy School, I worked on an effort to evaluate the Model Cities program. One part of that effort was concerned with efforts to concentrate and coordinate economic development efforts within particular poverty neighborhoods -- hoping that more effective coordination would lead to larger and more sustained economic development results. But another part of that effort was focused on improving the human service delivery effort. The goal was the same, to coordinate the flow of human services to individuals and to families in hopes that the combined, coordinated flow of services would not only be better from the point of view of the client, but it would also be better from the point of view of the citizens and taxpayers in that it would add up to a more powerful, sustained impact on the future independence and capacity of the clients. We spent a lot of time thinking about this problem and trying to get agencies to adjust their operations, and in the end, as I recall, it was a big failure.

Ten years ago, the Kennedy School once again took up the subject of integrating governmental operations -- this time explicitly in the domain of human services. We ran a project called something like "Integrating Human Services; Making the System Work for Children and Families." Again, there was much talk, and many sensible ideas, but little seemed to happen.

Now, here I am again, at the very dawning of the new Millennium, facing this same frustrating problem: how to produce services that are integrated and effective in responding to the problems that face individuals, families, and communities.

I don't think I want to spend the next Millennium trying to get this problem right. I'd like to start to solve it right here, today, with the people in this room. Judging from the materials provided by Betsy and the attendance here today, we might actually have a chance to do so.

I think, however, that it is important that we not take the problem too lightly. There is something about a problem that is harder than it looks. It may be important that we get clear about what the problem is that we are trying to solve, and why it is hard, as the first step in trying to figure out the solution. Diagnosis before action.

## II. **Diagnosis of the Problem**

So, let's start with a definition and diagnosis of the problem.

### A. The Problem: First Cut

The problem presents itself initially as a simple one:

There are clients (either individuals or families) that have multiple problems. Mom and Dad are divorced. Dad isn't paying his child support. Mom is stretched between the demands of returning to school, holding onto a part time job, and caring for kids, and dealing with depression. She is living with her mother who helps take care of the kids but is partially blind. One of the kids is developmentally disabled. Another, the teenager, has problems with drug abuse. Mom herself has slipped into alcoholism on occasion.

The state has made a commitment to help people with each of the problems that afflict the individuals within this family. There is a program to force Dad to pay child support; to help Mom go to school and get treatment for her depression; to provide income support and assistance to Grandma, and to provide treatment and support to the developmentally disabled kid, and to provide both preventive and crisis care for Mom's alcoholism.

Moreover, the state has said that it is firmly committed to providing integrated, responsive services to families and children. There are Task Forces that meet, awards that are given out, etc.

Yet, despite all this, the family is getting a disjointed and unreliable level of support from the system. Mom faces periodic interruptions in the flow of

money to keep the household going. She finds that she can't get into the alcohol programs at the times she needs to do so, and cannot get help in caring for the kids when she is suddenly disabled. The older kid keeps dropping out of drug treatment programs, deepening his involvement in the juvenile justice system. And so on.

And even this level of support seems to take an enormous amount of energy to sustain. Mom has to work hard at managing her relationships with each of 5-7 agencies. The people working in those agencies have to spend a lot of time (and take significant risks with various procedures) to make the system work for this family.

So, everyone seems to be working hard for a pretty inadequate result. The important question is why? Why is it that this is all so difficult? If we were a private business, we surely would have solved this problem, right? All we need is better management to solve this sucker.

#### B. How Private Business Solves the Problem of Service Integration

Well, it might be worthwhile to begin thinking about how to solve this problem from the perspective of private businesses. How does private business go about solving the problem of providing services to individuals and families who have multiple needs and demands?

One important answer to that question is that business doesn't really try to solve the integration problem for individuals and families. Or, put more precisely, it only tries to solve the problem when it can be easily and profitably solved.

Consider the problem that many of you face this weekend. You have to meet the needs of your family by going Christmas shopping. You face the problem of buying toys for the kids, the special present for your spouse, and the packages that have to be sent away to the in-laws and cousins. If you're like me, you've had to think about what you'd like to give to each person; written down some more or less specific

ideas; and then sorted the ideas into different trips to different stores. If you're lucky, the lists all lead to one or a few stores, or one or two malls. But often— even in this day of super-stores and mega-malls, you find yourself having to make many trips to different stores, and then having to negotiate a huge amount of difficulty in finding the things you want in the places you go.

The point of this observation is to remind us that in the ordinary lives of many of us, the problem of "coordinating services" is solved by the individuals who need the services. They figure out how to combine the services in their own best interest. They do the work of "making the system work" for them as best they can.

Indeed, to make this point very strongly it is worth noting that one of the most important changes in retail marketing came with the advent of the supermarket. What is obvious about a supermarket compared to previous retail arrangements is that it offers many different products in one location. One didn't need to go to the butcher, to the baker, to the candlestick maker; one could go to one store where all those goods were available. The one stop shopping was to many a convenience (to others, it was a loss in quality as well, but never mind.)

What is less obvious about the supermarket, however, is that *it turned over to individuals the task of assembling their particular order*. I am barely old enough to remember what it was like to go to grocery store before there were supermarkets. Grocery stores, too, had a variety of products available (though not so wide a range as today's supermarkets). But one of the important features of the grocery store was that there was a counter that separated the customer from the goods. Behind the counter stood the grocer. An important question is why there was a counter and a man standing behind it. The answer is that all this was necessary to guard the goods from theft by customers. The price of that security, however, was that the grocer had to take the responsibility of assembling the orders for the customers. The customers came with the list of their needs. The man at the counter took each customer and each item in turn and scurried around to the shelves assembling the customer's order (much as the counter people at McDonald's and Burger King do now, except that they now

expect you to pour your own drinks. Maybe soon we'll get it our way only if we assemble the burgers!). That system allowed the grocer to control his inventory, but it also made for a very slow and expensive process of assembling orders.

The supermarket revolutionized this system. It allowed customers to walk behind the counter and have immediate access to the goods. This must have felt like a great security risk at the time. If the customers had free access to the goods, they might simply walk off with them without paying. To prevent this, a different kind of security system had to be installed—one that made it easy for people to get into the store, but hard to get out; one that could check the items they purchased through a metering system that would ensure accurate charges, and so on. And even with all these systems, some "shoplifting" would still occur.

But, from the point of view of managing the store for performance, there were enormous gains to be made by letting the customers get behind the counter and have access to the inventories. For one thing, the customers themselves took over a job that used to be done by an employee: they assembled their unique, customized orders. The grocer was free to concentrate on checking his inventories and counting his money—not assembling the individual orders. Amazingly enough, it turned out that the customers experienced this task (which looked to the grocer like a labor saving effort on his part) as an improvement in the quality of service. They could exercise more control over their shopping, and they liked that experience. Further, exposing the customers to the inventory gave the grocer a chance to advertise, to stimulate, and to direct the activities of the customers. They ended up buying more, and buying more of what the grocer wanted to sell them than they did when they came in with well-defined, narrow lists. So, there were lots of reasons to let the customers get behind the counter and get in touch with the inventory as well as some reasons to be concerned about this.

It might be tempting, then, to imagine that the right way to solve the service integration problem is to go the route of the supermarket:

- To create a single store that offers a wide variety of products and services,
- To push the problem of assembling those services into coherent units back onto our clients, and
- To let them behind the counter to assemble their own bundles of services.

There may be some important wisdom in this idea. It may be that we have too many specialized stores: the functional equivalent of the butcher, the baker, and the candlestick maker. It may also be that we are taking too much of the responsibility of trying to integrate services. And it may be that we are overvaluing the protection against theft that comes from guarding access to the inventory and keeping the customer on the other side of the counter, and that the gains in the overall quality and effectiveness of the services would be enhanced by far more than the resources that would be lost by letting the customer get directly at the inventory. But before reaching those conclusions, it is important and useful to understand the ways in which public management might differ in some key ways from private sector management.

### C. Defining the Customer

One of the most fundamental differences between private and public sector management is the question of who, exactly, plays the role of the customer in the public sector, and what is it that they are buying.

1. Customers in the Private Sector: Now, a customer in the private sector has three important characteristics.

First, they occupy a particular position vis-à-vis the production processes of the organization. They are the individuals whom an enterprise meets at the product or service delivery end of its operations— after something— a product or service has been built by combining resources in a particular way. They are not the owners or

shareholders who are in a position to invest in and authorize the operation, and expect a financial return in exchange. Nor are they the suppliers. They are downstream in the production process.

Second, they are the people who pay for the product and service, and in doing so, provide the practical wherewithal for the organization to continue. If the customers can't be satisfied, the organization will wither on the vine.

Third, they are the people whose decisions to spend money on the enterprise give the enterprise social legitimacy. This idea that satisfying customers is what gives private enterprises social legitimacy is sufficiently obscure that it is worth explaining it a bit.

Now, I am a government guy. I believe in government and what it does for people. I believe in the importance of the problems that government is trying to solve. Indeed, I believe in this so strongly that I can sometimes get a bit indignant about the private sector. I think to myself (and sometimes say out loud), "Where do those guys in the private sector get off making crap like lemon scented furniture polish and hula hoops. With all the problems in the world, how can they possibly justify spending any scarce materials, or any valuable managerial time producing crap like this."

I like being indignant. But it turns out that the private sector guys have a pretty good answer to this challenge. They simply note that people continue to buy the crap. The fact that people voluntarily take money out of their pockets and plunk it down for lemon scented furniture polish and hula-hoops is prima facie evidence that they value these products. To the extent that a society thinks it is valuable (among other things) to try to satisfy individuals desires, (and, in a liberal society, that is to a very great extent indeed), it has to accept the idea that the production of hula hoops and furniture polish is publicly valuable. It is worth doing as one important activity in society.



All of this makes customers— understood as people who voluntarily purchase products and services provided by business— pretty important to businesses. Without them, the businesses cannot survive. Nor can they claim any moral right to survive.

2. "Customers" in the Public Sector: When we shift our attention to the public sector and ask who plays the role of the customer, we find that the attributes or qualities that are combined in the private sector are separated in the public sector.

In many government organizations (though not all) there are people who look like customers. I have in mind here developmentally disabled children, adults with disabilities, welfare clients, alcoholics receiving publicly supported treatment, and so on. These individuals resemble customers in the private sector in two important respects. First, they are in the right position vis-à-vis the organization; they meet the organization downstream at the production end rather than upstream at the reporting end. Second, we think these individuals are benefiting from the provision of the public service.

For all the similarities, they differ from customers in the private sector in one crucial respect: they are often not the ones who are paying for the services. The people who are paying for the services are citizens/taxpayers.

Partly for this reason, and painful as it may be to admit, it is not true that the satisfaction of these individuals is necessarily the only, or even the most important social justification for the enterprise. Now, the citizens/taxpayers may have instructed the agencies to attend to the welfare and satisfaction of these clients. Indeed, they are particularly likely to do this when they expect to be the person served— as for example, in determining how social security recipients ought to be treated. They are almost as likely to think that the clients should be treated well when, as in the case of many people served in human service programs, the clients have been the victims of misfortune which they did not themselves cause: for

example, when they have been born disabled or struck down by some illness. In such cases, the public collectively may will that their tax dollars be used to treat the individual clients of government agencies to be treated as though they were real customers who were paying for the service, and could decide to go elsewhere.

But often citizens/taxpayers have other or additional objectives for the clients of government programs. In one version of this kind of interest, citizens/taxpayers are not paying for "quality service" to clients; they instead are paying for "socially defined outcomes." They don't just want the welfare client or the drug addict to be satisfied with the quality of the service. They want the welfare client to become economically independent and the drug addict to give up his addiction. In short, *we*— the citizens/taxpayers— have desires we are trying to achieve. We want to have fewer people on welfare, and to have fewer drug addicts. We want these things independently of what the welfare clients or drug addicts desire. Indeed, to get the outcome we want, we want the welfare clients and drug addicts to change. In this respect, the clients become means to our ends.

Of course, I am exaggerating a bit here. Even if we have purposes that we intend to achieve, we may also value and need client satisfaction as well. Indeed, we might not be able to achieve the outcomes we desire unless we engage the co-operation of our clients, and that may require us to do a great deal to satisfy clients. But the point is that client satisfaction is a means to the end rather than the end in itself. Society's aim is to change the status and condition of the clients, whether they want to or not!

The difference between "our" objectives on one hand and "client satisfaction" on the other is even more evident in cases where obligations are being brought to bear, and the clients are not necessarily beneficiaries of the services provided. This is common in regulatory and enforcement agencies. There, the clients are being serviced rather than provided with services. We can think of these as obligation encounters as contrasted with service encounters.

It might be tempting for those in human service agencies to imagine that obligation is a feature only of regulatory and enforcement agencies, and that their "service" work is distinguished from "policing" on precisely these grounds. But it is interesting to consider how many of what we consider "service" encounters turn out to have an important "obligation" component. When we provide services to struggling families, there is an element of surveillance and obligation that requires parents to refrain from abusing or neglecting their children. When we provide treatment to drug users, there is the expectation that they will stop using drugs, and reduce their criminal offending. And so on.

Once again, I may be exaggerating the extent to which "our" desires as citizens/taxpayers conflict with the goal of ensuring "client satisfaction." Even in cases where we are imposing obligations rather than providing services, we might have an interest in satisfying the clients. They may have rights. An effective obligation encounter may require a reasonable amount of both respect and assistance in meeting the obligation. But, again, the point is that client satisfaction becomes a means to the end rather than an end in itself.

The point, here, is that in the public sector the people whose decisions to spend money on a particular purpose provide both the practical means for public sector organizations to continue and the normative justification for their existence are not usually the clients of the organization; they are, instead, the citizens and taxpayers, and their elected representatives. Thus, an important question comes to be what is it that they are buying.

The answer to that question, I think, is that citizens/taxpayers are buying policies and programs to deal with specific problems that they have come to view as *public* problems—that is, as problems that the society as a whole ought, as either a matter of justice or prudence, to be willing to tax and regulate itself to resolve. That some people in the society are blind, or are developmentally disabled is a fact. What makes it a public responsibility to provide care for such people at public expense rather than leave it to them individually or their families and friends to solve, is a collective

political decision that it would be just, or prudent, or humane for society as a whole to take on some of the terrible burden that falls on these individuals and their families. For many, that is an easy decision to make. And for that reason, legislatures create policies and programs to provide for the blind, the disabled, and so on. What makes it particularly easy to respond to these problems is that the individuals seem to be innocent victims. Things get more complicated when it seems or can be made to seem that individuals are complicit in creating their own disability: when they refuse to work despite their capacity to do so, when they take drugs and drink even though they know it makes it hard for them to live up to their family responsibilities and so on. Then, how much aid is forthcoming and how much it will be conditioned by society's judgments about what is just and/or practically effective will be more hotly contested.

It is the fact that the programs we manage in the human services domain represent political judgments about whether a problem is or is not severe enough, innocent enough, and amenable enough to public intervention to merit public funding that tends to create the categorical nature of human service delivery programs. These are not really programs designed to deal concretely with individuals and families that have different bundles of specific problems; they are policies and programs to deal with particular problems that the body politic has decided are important enough to tax and regulate itself to ameliorate. We have decided to deal with a particular problem experienced by many individuals. That is what we mean by a categorical approach. Importantly, what we have not decided to do is to do everything we can for those particular individuals.

Moreover, once the body politic has made the decision to deal with a particular problem as a public problem, it wants to make sure that the resources committed to solving that problem go only to the solution of that problem, not some other problem. That is what is meant by the idea of accountability. If the public mandates the solution of a particular problem, and provides resources to the solution of that problem, it is owed assurances that that is what the resources were spent for. Any diversion of funds to alternative purposes would constitute fraud, waste or abuse. In

this conception, government agencies and programs are not necessarily there to provide high quality services to clients. They exist to deliver the policies and programs that the citizens and taxpayers and their representatives have said we should, nothing more and nothing less.

It is the fact that public policy is made in categorical terms, and that managers are then held accountable to perform in categorical terms, that makes the co-ordination problem so hard to solve. Painful as it is to acknowledge, and despite much talk about customer oriented government, our most important customer is the citizens/taxpayer; not those individuals and families who are our clients.

#### D. Giving the Client Access to the Inventory

The concern about meeting the demands of citizens/taxpayers for accountability leads to the second way in which public sector might differ from private sector: namely, how comfortable we can feel about giving clients direct access to the inventory. To make this idea more concrete, imagine that our policy with respect to human services was to essentially put all the human services provided by the state out on the counter and invite people with needs to come and take what they want. In effect, we would get rid of the grocery counter and let the customers at the inventory. Why don't we do this?

I think there are two answers to this question.

The first is that, without someone at the counter to ration access to the inventory, we worry that the available state services would quickly be overwhelmed. We judge (accurately, I believe) that there is much more need for state services than the state is willing or able to provide.

Note that the grocer is not particularly worried about this problem. He can give his customers access to the inventory since he can ask the customers to pay for what

they take. And if the customers are willing and able to pay, he can buy more goods for the shelves, and build more stores. He is ready to take all comers because they are willing and able to pay.

In human services, however, we serve people who cannot pay. Or, we serve people who we think should not have to pay for the services. Consequently, we provide the level of service that the taxpayers and citizens provide for; not the amount that the clients pay for.

This is all pretty obvious. But the implication of this fact is not so commonly noted: namely, that we keep a counter up in front of clients in human services at least partly to ration the use of human services. It is there to keep some people who are needy but not eligible away from the services that would otherwise benefit them.

This troubling fact reflects the reality that citizens/taxpayers wish both to limit their spending, and to focus their spending on those whom they wish to aid. Given this fact, and the necessity of being accountable to citizens/taxpayers, we need someone at the counter to make sure that the clients are eligible, and that they do not get more than they are entitled to under the programs. In short, we think we need to protect the inventory in a way that the grocers don't. If there is too much "shoplifting," the citizens and taxpayers will decide that the enterprise as a whole isn't worth it, even if it is creating something extremely valuable for the individual clients and the wider society. The "counterman" is responsible for making sure that the client gets only what society wanted him or her to get.

Of course, once the citizens and taxpayers understood the problem of multiple problem families and the wisdom of dealing with them in a more coordinated way, they might be willing to develop some special ways of handling this problem. But the point is that it is hard to do this without some explicit political authorization to do so and some administrative and operational programs that can make this happen. We will return to this point later when we are thinking about solutions.

Even if we were not particularly worried about "shoplifting," we might still have a second reason to be somewhat hesitant to let the clients directly at the inventory. The reason is that we might be worried about the motivation and capability of the clients we serve to assemble the appropriate bundle of services. We worry that many of our clients lack the self-confidence, self-esteem, and energy to look seriously at their own situation and make good judgements about what sorts of help they need. They need the diagnostic help and support of professionals to help them figure out what is required and to get at it. They may even need a certain amount of moral exhortation to take on tasks that they should do, but are ambivalent about doing.

Now, there is no small amount of paternalism involved in imagining that the guy at the counter knows better than the guy on the other side of the counter what the guy on the other side of the counter needs. But some degree of paternalism might well be justified.

Note that a useful way to think about this might be shift our image from the grocer standing at the counter whose only role is to provide security, to a physician who is managing a patient's access to services in a clinic or hospital setting. In this context, we do not assume that the customer knows what is best for him; we assume that he needs a consultation with the physician, and that the physician will use diagnostic tests to determine what is wrong. We also assume that the primary care physician will be able to draw on specialists of one kind or another to deal with the complex, challenging, and unique features of the case. The client cannot know all that he needs. He cannot communicate with the other providers. He needs someone to act for him in assembling the appropriate services.

Obviously, someone like a client advocate or a caseworker is the analogue here. One can imagine a kind of family physician who is in touch with each individual in the family, helping them individually, doing the diagnoses, but then reaching out for specialty support when required.

The important points here, I think, are three. First, that we may still need an active counterman in human service delivery systems either to insure security or to enhance the overall quality and effectiveness of the service. Second, that it is probably worth distinguishing the rationing and security function from the technical assistance function, and to know when we are asking the counterman to do the first and when the second. Third, that to be effective, that counterman ought to have knowledge and access to the whole inventory.

#### E. Combining Services in Common Patterns

A third important difference between public and private sector management concerns the question of how free we can be in the public sector in bundling products and services within one "store" (understood as either a physical place, or a particular administrative structure).

As noted above, when we are looking at private commerce, we can easily contrast the "old world" that consisted of separate stores for groceries, meat, and candles with the "new world" of super-stores and mega-malls. We can see the difference between specializing in one particular product and organizing to provide "one stop shopping." We might easily conclude that the right way to go is towards superstores and mega-malls.

But this judgment could be in error. Even in the era of superstores and mega-malls, there are some advantages in specializing in single products (boutiques of one kind or another). There are some advantages in bundling together classes of products (e.g. stationery superstores or hardware superstores). And this means that stores like this will continue to survive alongside the superstores and mega-malls.

What turns out to be important in deciding what kinds of products and services to bundle together turns out to be not how many products can be comfortably accommodated within a particular store, but how often particular combinations of products and services are desired by customers; that is, how frequently a desire for cigars occurs alongside a desire for, say, leather goods. When desires are commonly



linked (for whatever reason) it may make sense to create a store in which it is possible to buy both. That might be preferred to a store that provided either ten products or one. And it is not obvious at the outset when those desires will be linked.

The analogy, I think, in the human service world, is to figure out how commonly particular combinations of needs show up. If, when we look at our client population, we find that unemployment and drug and alcohol problems show up in combination very often, then it might be valuable to create a "store" that caters to drug involved but employable people. If physical handicaps show up alongside developmental problems, then it might make sense to create a store that deals with this particular combination of need.

Note that the idea of a store here is really equivalent to the idea of creating a special policy or program to deal with specifically defined multiple use problems that show up sufficiently frequently in the population to be worth developing a special policy and program for. Now, one can say that this merely continues the "categorical imperative" by creating a whole new set of categories out of the existing set. And thereby, this frustrates the real opportunity for improvement, which is to forget the categories altogether and focus solely on the client and his need. But the difficulty is that that position fails to respond to the need to be accountable to taxpayers and citizens for the use of their resources. The price of that seems to be the need to create stores with particular missions and purposes. The challenge, then, is to create the stores that respond to the particular population prevalence of different combinations of problems.

I don't know the state of play here in Massachusetts and how much knowledge you have and share about your client bases. But my impression is that it would now be hard rather than easy to answer the question of how many multiple need families and individuals were currently enrolled in Mass Human Services Programs. It would be an even harder question to answer how many such individuals we would find if we

went looking for them in our current caseloads (by conducting a full diagnosis of their condition rather than simply respond to the presenting symptom), or even beyond our current caseloads.

Yet, it seems to me that such an investigation would be important to carry out to see how great the problem actually was, and to see what particular combinations of problems showed up with particular frequency. It is ultimately desirable to deal with every unusual combination, of course, but one might start by trying to figure out what the most common combinations are, and the implications of that for service integration.

It is also worth noting that if we thought about how best to create a store within which individuals or families with particular combinations of problems could best be handled, it is not at all obvious that the right answer would be one that simply provided the sum of what is provided in the individual boutiques. Indeed, by combining the services, we might find ways to reduce administrative overhead, and avoid some redundancies in particular kinds of services provided. In short, if we thought about the design of programs to serve multi-problem families, we might end up with a very different set of administrative arrangements, facilities, personnel, and services than we now use to provide less adequate services through separate programs. That wouldn't be worth doing if the particular combination of problems we were trying to handle did not occur very often in the population. But if the combination did occur often, then it might be worth it to re-design and re-engineer our operations for separate as well as combined problems.

#### F. Summary

So, my diagnosis of the problem of service integration is that we have this stubborn problem because we are trying to meet the demands of two quite different customers. On one hand, we are trying to satisfy the needs of citizens and taxpayers who are thinking that they are trying to solve particular individual problems experienced by individual clients through categorical policies and programs. On the other hand, we are trying to satisfy the needs of clients who turn out to have multiple

needs that require them to be served in a variety of categorical programs. This fact, combined with the fact that we need both to ration and help organize a flow of services to our clients puts a counterman between the client and a coordinated flow of services. That counterman is typically accountable to a single categorical program, has a limited interest in problems that are not part of his categorical program, and little incentive to reach out to others. Therefore, some co-ordination that might be both valued by clients and more effective in helping them succeed is lost. The question is what is going to be done about this.

### III. Proposed Solutions

I would suggest that we search for the solution of the service integration problem at three different levels.

- Level 1 is the operational street level; one caseworker to another.
- Level 2 focuses on getting the financial arrangements and incentives correctly structured.
- Level 3 focuses on re-engineering our services so that we can get both lower costs and more coordinated services for the commonly occurring patterns of problems.

Work at all these levels requires "collaboration," but who has to "collaborate" and in what particular way differs enormously from one level to another. Let's start with what the world looks like at the operational level.

#### A. The Operational Level

One place to start in trying to get better service integration is at the operational level: a caseworker confronting a client with multiple problems. Think about the problem facing that caseworker. Assuming that the caseworker is a well-motivated human being and a competent professional, the caseworker can't help but notice that a particular client may have more problems than the one his agency is authorized to handle. He may also notice that the individual problem is either caused by or is causing problems for others in the existing family arrangements. Those other family members, and other problems of the other family members, may or may not be

problems that are within the jurisdiction of the caseworker's agency. And those other individuals may or may not be clients of his organization. The question, then, is what does the caseworker do with those perceptions that the problem he confronts is more than one individual with one particular problem.

One important part of the answer, it seems to me, is whether the caseworker has any reasons to investigate and record his perceptions of a wider set of problems for his client and/or the other individuals who surround his client. My assumption is that there is little reward for doing so; that the skills for this are not well developed; and that there is no form for recording a diagnosis that includes judgments about problems and individuals other than the individual with the single problem. Without that, of course, it is hard to know the crucial piece of information we need, which is how often multiple family problems of what particular types show up.

So, one suggestion might be to treat each intake encounter at a human service agency as an important diagnostic and referral encounter no matter what door the person enters. This would be expensive, of course. It would also have the effect, perhaps, of revealing a huge mass of need that would frighten the citizenry and their representatives. But it would have the enormous virtue of showing us just what we are facing. It would make it possible to talk about the problem of service integration in other than theoretical or anecdotal terms. It would allow us to see how big and what shape the caseload for integrated services might be.

Assuming for a moment that no administrative system supports or records such an investigation, a motivated case worker might still notice the problem and feel obliged to do something about it; to become an advocate for this client with other agencies. Feeling motivated, he calls the other agency with a referral.

At that stage, we find that a new client can represent many different things to a caseworker in a different agency. On one hand, the new client represents a new chance to serve and to achieve the mission of that other agency. (That might feel particularly important when an agency is underutilized.) Alternatively, the new client

represents a new burden— that jeopardizes the capacity of the organization to serve other existing clients, or clients that the other organization regards as higher priority in the complex, informal triage system it is operating. What the new client does not necessarily represent (though it would in the private sector) is an opportunity to secure additional revenues.

In the case that there is excess capacity, the referral may serve both interests and the system works well. In the case that it is a burden, however, the referral will be full of tension and negotiation. Special pleas will be made. Special arrangements will be carried out. All of this is in the context of a set of meetings that are expensive in and of themselves.

Note that the frequency with which these meetings occur may well be a function of the system's total capacity. If there is limited capacity in every service line, and there are many clients with multiple needs, then every referral becomes a bureaucratic battleground, each requiring lots of meetings. In such a situation, the whole system's performance could degrade rather badly not only because there weren't enough resources in the first place, but because some of the precious resources that remain for direct care are being spent in meetings pretending to discuss multiple service plans when the real point of the meeting is to try to move a cost and burden from human service agency to another. In short, the whole system spends lots of time informally deciding on how to ration services while pretending that it is actually providing good services to everyone.

No doubt, I am being too critical of cross agency case planning. Lots of good can get done in case conferences and in collaborations, etc. But when one is in one of these meetings it might often be useful simply to check and see whether real resources are available to achieve the plan, and how much of the discussion is a political struggle over who will accept an unwelcome responsibility rather than efforts to ensure high quality services to clients.

## B. The Financial Level

This analysis of problems at the operational level draws our attention to the financial/resource analysis. Note that one implication of what I observed above is that what presents itself as an operational problem of service integration is really a resource problem.

For example, it is quite possible (indeed likely) that there are simply not enough resources to meet all the needs. In this view, the reason that services do not get integrated is that there simply aren't enough to go around. It is not an operational or co-ordination problem; it is a resource problem. Every time we try to make a referral, we find that there is no room at the inn. Instead of collaborating to provide services, we argue and scramble to shift the burden of care from one agency to another.

A related idea is that the resources that are available are mal-distributed. Looking across all human services, there might be enough money to provide integrated services to some of the most severely or most multiply afflicted individuals and families, but the problem is that too many of the resources are locked up in a program that is serving one problem. As a result, there is insufficient capacity in other parts of the system. It is bottlenecks and limited capacity in some limited number of services that is handicapping the system as a whole to do a good job with integrated services.

[Note: A third idea commonly advanced when we are talking about both human service integration and effective planning of human service programs is that we are spending too much on crises and not enough on prevention. In this conception, if we could, for some time, be able to avoid the problem of spending all our resources at the back end of the system and find ways to spend money at the front end, we might be able to produce better results and spend less money over the long run. In this view, the problem is not only that we are not providing services that are integrated within individuals and families with multiple problems; we are also failing to provide an integrated set of primary, secondary, and tertiary preventive programs.]

I want to argue that this last idea should take this last issue off our screen for a moment. Even though I think it is an important issue and would be glad to come back and talk about it, I think it raises some questions that go beyond what I would like to describe here as the service integration problem. I want to keep our attention focused on the problem of coordinating services to individuals and families regardless of whether those services are being delivered in a crisis, reactive mode, or in a preventive mode.

If the problem is a resource problem— whether insufficiency or mal-distribution— the problem cannot be solved operationally. It can only be solved politically. If resources aren't enough, the system will have to develop some kind of triage system, which is itself a political issue. The triage system could be based on which problems, or on how many, or on how crippling the problem. The natural way to set priorities might be around disease categories. That is how politics have been structured in the past. But it might be better if we thought in terms of seriousness of need and included multiple problems as one sign of urgent need. That would make multiple problem individuals and families high rather than low priority targets of service.

Collaboration will be most difficult here, because it involves agency competition for funds. It will be fought out in politics with the backing of interest groups and with the weight of traditional allocations. So, if our service integration problem is really an inadequate or mal-distributed resource problem, we won't be able to solve it with operational methods. I suspect that this, as much as the need to be accountable, is where the real problem lies.

Nonetheless, even if we had adequate resources, we would need to think a bit about the financial arrangements that would provide incentives to agencies to provide integrated services. The basic principle in organizing such financial systems would be to let the money flow to the problem rather than to the agency, and to try to get the agency boundaries out of the way.

The most radical version of this would be to combine a diagnosis and voucher system. The counterman gives the individual or the family a chit they can use to reimburse the agency for helping them.

Less radical version would be to provide a fund to each agency to pay for services from other agencies. That would provide some grease that would make today's frustrating discussions easier to bear and potentially more fruitful.

A still less radical version would be to pay each agency for quantities of service. This would have one effect if funding was open-ended and quite a different result if funding was conceived to be competitive. In this latter case, service integration would be worsened rather than alleviated.

### C. Re-engineering Service Delivery

The third level of effort would be to look more closely than we now have at what the range of needs are and how they might best be addressed.

- Find out what common combinations of services are needed.
- Make an appeal for funding for that integrated form.
- Create joint programs using existing administrative and space infrastructure.

This would be the most radical change because it would involve attacks on the boundaries of existing organizations. One organization would get to look inside what another organization was doing, and to comment on the need and value of particular facilities, procedures, and personnel.

It would also require the most radical kinds of collaboration. Instead of defending boundaries and getting other agencies to help with our problems, we would be asked to set aside our current commitments to agency policies and procedures and design new things from scratch. Moreover, we might be asked to design these new programs and activities not from new resources but from bits and pieces of capabilities that could be recombined in new ways. We could take a computer system



and form from agency B, a few personnel from agency C, a worn out facility being used for a low value purpose in agency D, and build a program that worked well for the multi-problem clients in populations from three of the four agencies.

It may be the only kind that is worth doing. I say this for the following reasons.

First, I think that the only way we can really begin to tackle the problem of multiple problem individuals and families is to get some kind of political authorization to do so. We cannot simply assume that the political system wants us to solve this problem, for it is quite clear that it does not necessarily want this.

Second, the only way that the political system will provide this authorization is if it can see how big the problem is and how it might be solved. In order to show the problem, agency managers have to be willing to give up the security that comes from staying with their client base and their particular constituency. They have to see how many under their charge could equally or better be under the charge of others, or in new programs that might or might not be part of their agency.

Third, in today's climate, it is hard to imagine doing things that cost a great deal of money. Consequently, new initiatives will probably have to be financed through reductions in other activities and cost savings. That involves looking closely at what we are now doing that is wasteful and how it can be stopped so resources can be shifted to other higher value uses.

In short, it seems to me that the right way to solve the problem of service integration is the right way to solve most problems in a democratic system: one has to figure out the size and character of the problem, figure out how it might best be solved, and to persuade citizens/taxpayers and their representatives that the value that can be created for a practical, but just human society outweighs the costs that will be incurred. I'm glad that your value-creating imaginations will be working on this problem.