



**TEXAS**

Health and Human  
Services Commission

# **Texas' New Eligibility System**

August 2006

# Texas' Health and Human Services Integrated Eligibility System

# Eligibility Responsibilities



HHSC is responsible for determining eligibility for state services, including:

- Children's Health Insurance Program (CHIP)
- Medicaid
- Food stamps
- Temporary Assistance for Needy Families (TANF)
- Long-term care for the elderly and people with disabilities (financial eligibility)

# Current Eligibility System



- There is a clear and compelling need to modernize the eligibility system.
- The current model is based on a service delivery framework designed in the 1970s and continues to reflect certain inherent limitations:
  - Outdated computer technology which is difficult and costly to maintain and update.
  - Inflexible office-based system that cannot easily respond to demographic or workload changes, consumer preferences, or other external factors.

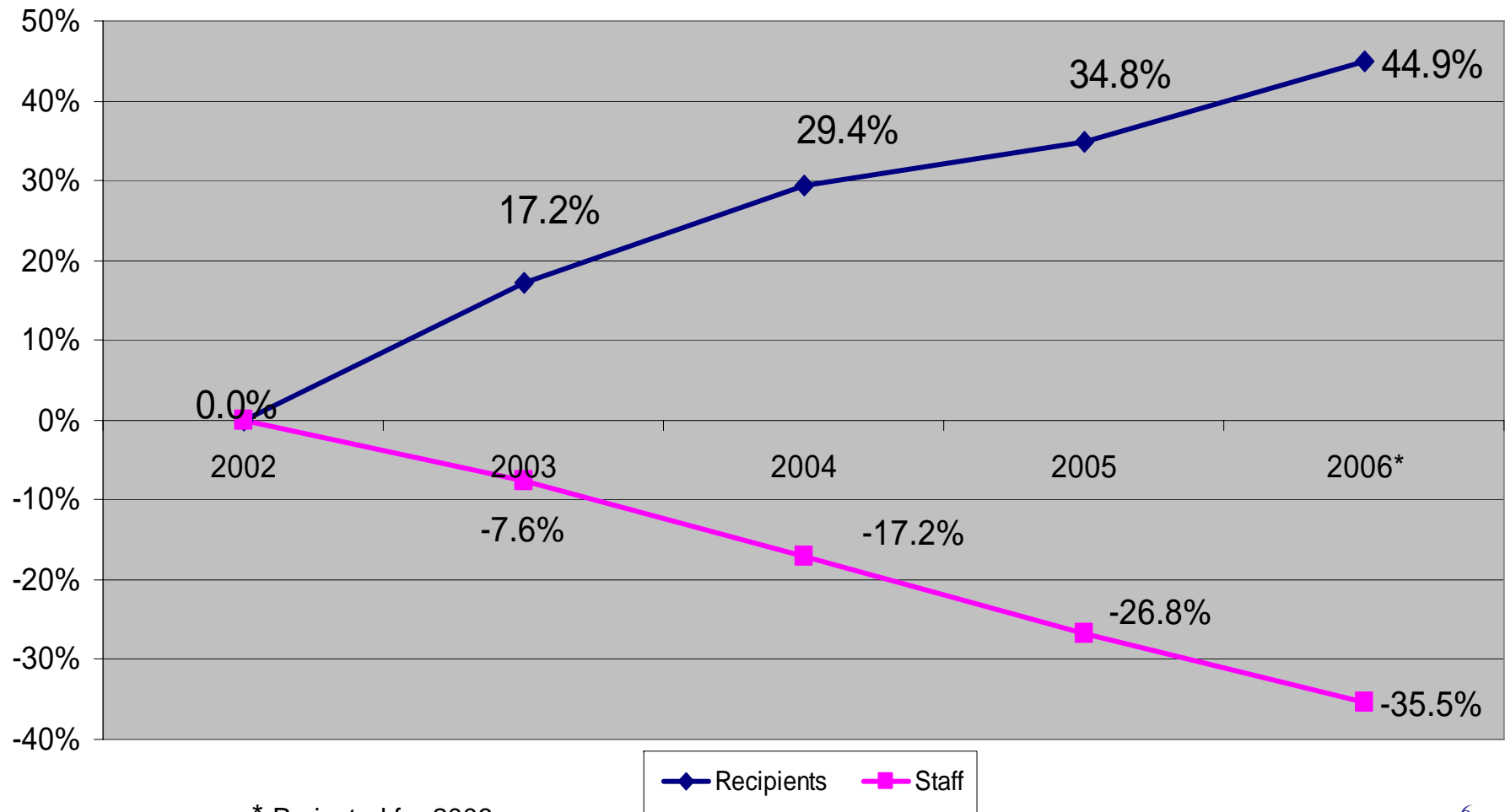
# Current Eligibility System

---

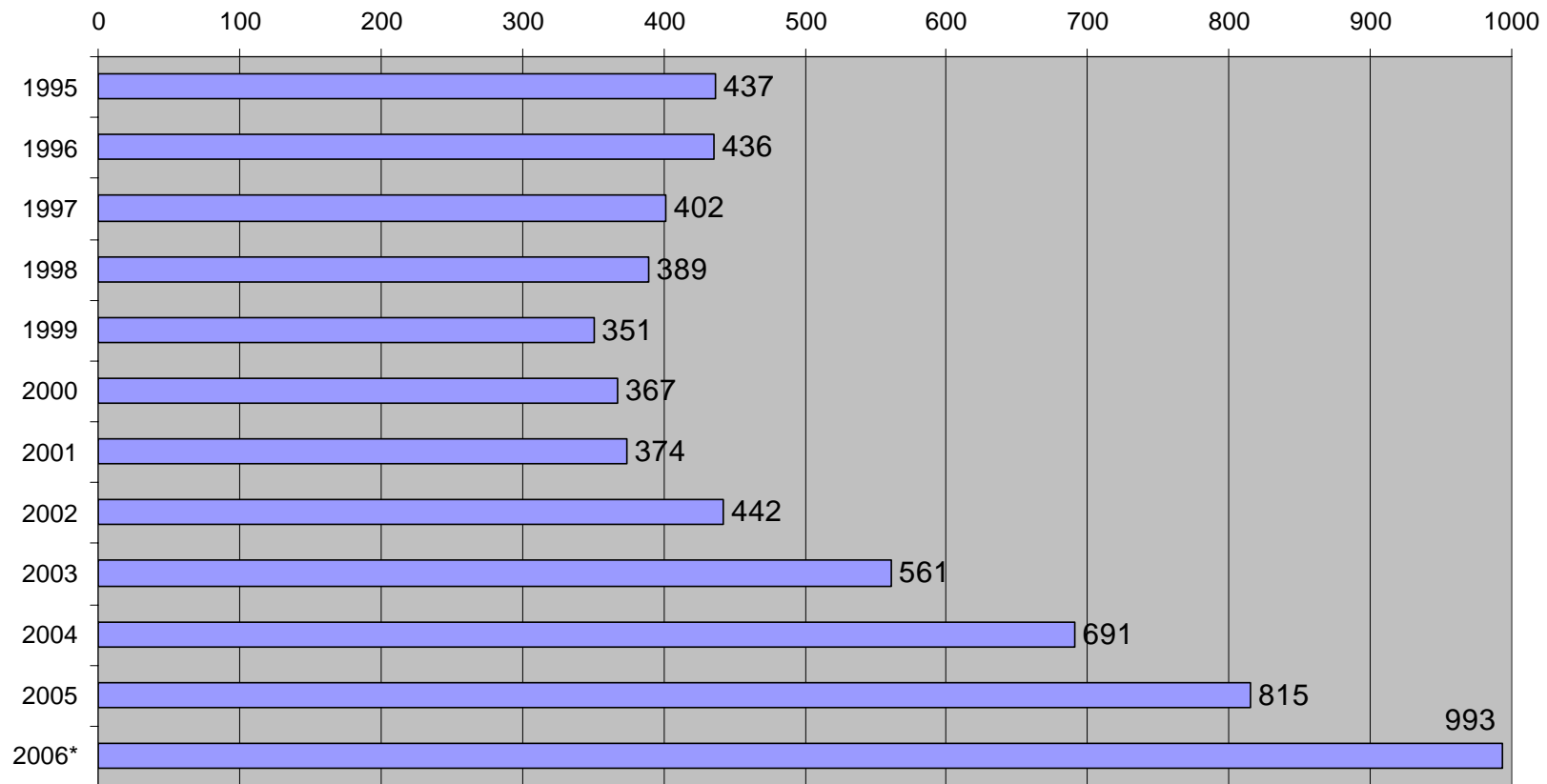


- Limited use of technological tools and modern business practices to support eligibility processing.
- Staff and resource intensive process that cannot respond to caseload growth without substantial increases in appropriations.
  - If staffed at the FY 2002 level, the current eligibility model would require more than 13,000 staff – an increase of 7,000 over current staffing levels.
  - This level of staffing would cost more than \$250 million per year in All Funds.

# Medicaid, Food Stamp, and TANF Recipients & Staffing Percent Change 2002 - 2006



# Medicaid, Food Stamp, and TANF Caseload per Worker 1995 - 2006



\* Projected for 2006

# Current Eligibility System

---



- Inconvenient for clients, who are tied to a specific office that is only accessible in person during business hours.
- Client surveys demonstrate demand for change.
  - 80 percent said they would be likely to use the phone to apply for services.
  - 36 percent said they would be interested in applying online.
  - 28 percent rely on public transportation or someone else to take them to an office.
  - 82 percent wanted to be able to apply outside of normal work hours and not lose time on the job.
  - 81 percent wanted to be able to apply in private “without others around.”



# New Eligibility System



The 78<sup>th</sup> Legislature, 2003, enacted statutory provisions to “achieve the cost savings and revenue necessary to finance certain health and human services.” The legislation in part:

- Directed HHSC to establish call centers, if cost-effective.
- Required HHSC to outsource call centers unless HHSC determined that contracting for the operation of the call centers would not be cost-effective.

Business case completed in March 2004 determined that the use of call centers would be cost-effective.

Competitive procurement through an RFP determined that outsourcing was more cost-effective than state-operated call centers.

# New Eligibility System



- Goals for the new eligibility system:
  - Create options for consumers
    - Can apply in person at over 200 offices
    - Can apply by telephone, Internet, fax or mail
  - Expand the use of technological tools and modern business processes
    - Convert to electronic case files, which creates a more flexible model
  - Cost-effective use of taxpayers' money

# Implementing the New Eligibility System



- HHSC contracted with the Texas ACCESS Alliance (TAA) for multiple responsibilities:
  - Responsibilities assumed from previous vendors:
    - CHIP eligibility
    - Medicaid and CHIP managed care enrollment broker services
    - Maintenance of the Texas Integrated Eligibility Redesign System – TIERS – automated system
  - New responsibilities:
    - Integrated eligibility services for Medicaid, Food Stamps, and TANF
      - Currently in pilot in 4 out of over 300 eligibility offices

# Implementing the New Eligibility System

---



- Performance issues have been identified in areas of vendor responsibility.
- Vendor has recognized need for improvement.

# Implementing the New Eligibility System



## Vendor Accountability:

- Financial interests of the state are protected through strong performance-based contract standards:
  - Key Performance Requirements
    - Includes timeliness and accuracy standards
  - Fixed and Variable Costs
    - Payment structure NOT tied to eligibility determination outcome
  - Consequential and Liquidated Damages
    - Vendor liable for sanctions imposed by federal agencies

# Contracted Services in New Eligibility System

# Contract Services



The Texas ACCESS Alliance (TAA) is contracted to provide:

- Eligibility for CHIP
- Integrated eligibility services for Medicaid, Food Stamps, and TANF
- Medicaid and CHIP managed care enrollment broker services
- Maintenance of the new Texas Integrated Eligibility Redesign System – TIERS – automated system

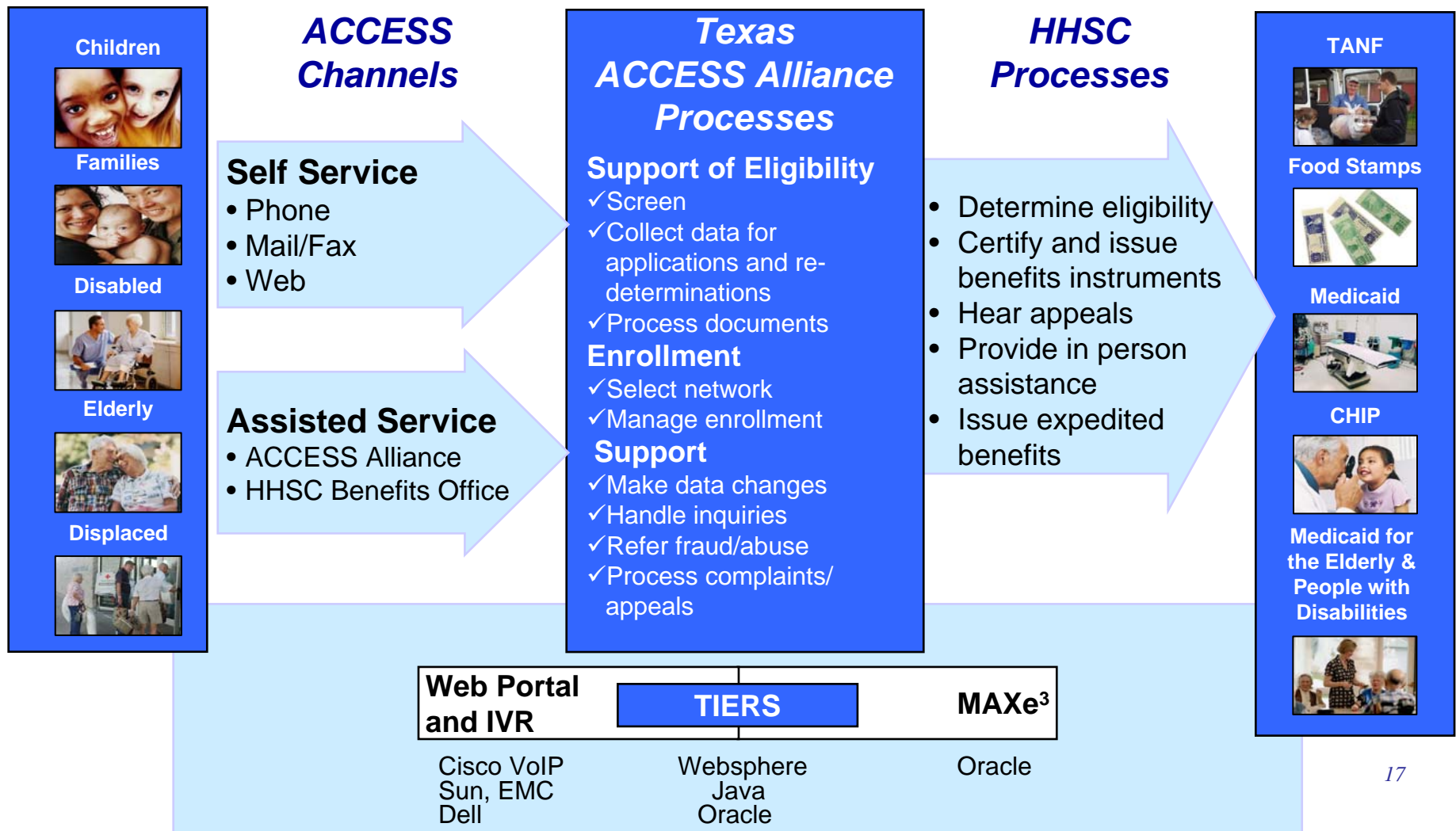
# Implementation Timeline



- Enrollment Broker – Assumed responsibilities from previous vendors on November 1, 2005
- TIERS Maintenance – Assumed responsibilities from previous vendor on November 1, 2005
- CHIP – Assumed responsibilities from previous vendor on December 1, 2005
- Children’s Medicaid Applications statewide – January 1, 2006
- New Eligibility System Pilot – January 2006 – Two counties - Travis and Hays.
  - *All other counties are operating under the old state operated system.*



# Workflow



# Integrated Eligibility Pilot: Travis and Hays Counties

# In the New System, Consumers Decide



HHSC is redesigning our programs around consumers, with extended hours and multiple ways Texans can apply for services at times and places that are convenient to them. Application options include:

- In person at a field office (8 am - 5 pm, Monday - Friday)
- By phone by dialing 2-1-1 (extended hours, 8 am - 8 pm, Monday - Friday)
- Over the Internet (24 hours a day, 7 days a week)
- By fax or mail

# Convenient Access



- Convenient access for consumers through multiple channels including phone, fax, Internet and mail. Texans will not have to take off work, pay for transportation or arrange child care to apply for services.
- Easier recertification process – consumers will be able to complete most re-certifications and make basic changes, such as addresses, without an office visit.
- One application for many services – clients will be able to access a variety of services – even across agency lines.
- Field offices strategically located across the state providing in-person services.

# System Design



The new eligibility system is designed so that TAA call center staff image applications for services into the system and collect any additional information needed from the client to process the case.

Once a case is complete, TAA sends the case to a state worker who determines if the applicant is eligible for assistance.

This design means all cases – except CHIP – eventually are sent to state workers. CHIP cases have always been processed from start to finish by a private contractor.

# Improved Customer Service



## Objectives:

- Self-service options combined with a streamlined and integrated screening, eligibility determination, and enrollment process will reduce the time clients spend applying for services.
- Clients will be able to check the status of their application 24/7 through an Integrated Voice Recognition system and the Internet.
- Any call center customer service representative or eligibility worker will be able to supply clients with immediate information on their cases, as all client records will be electronic and easily accessible to staff.

# Face-to-Face Service Still Available



More than 200 field offices are strategically located across Texas for consumers who want or need to handle part of the application process in person:

- 167 full time, full service state field offices.
- 44 offices open on certain days of the week.
- Resource centers offering self-serve information and instruction.
- State eligibility staff in 300 hospitals and other medical facilities across the state.
- In-home visits and traveling eligibility units for clients who are elderly, frail, disabled, or face other transportation challenges.
- 99 offices will be closed with services provided at other nearby locations.

# Office Locations



- Office Locations were established by caseload:
  - 5 miles to travel for urban clients.
  - 15 miles for suburban clients.
  - 30 miles for rural clients.
- Office locations available statewide at:  
[www.hhs.state.tx.us/consolidation/IE/IE.shtml](http://www.hhs.state.tx.us/consolidation/IE/IE.shtml)



# Call Centers



- In June 2005, HHSC signed a 5-year agreement with Texas ACCESS Alliance (TAA).
- Responsibilities include the operation of four call centers, which act as the nerve center of the state's new system with state-of-the-art document imaging and processing.
  - All four call centers are located in Texas – Athens, Austin, Midland, San Antonio.
- State employees will continue to determine whether applicants are eligible for services, will be responsible for quality control, and will continue to staff local HHSC offices to serve clients who prefer to go to an office.

# Call Center Locations



# Customer Service



- Call centers include live assistance in English, Spanish, and Vietnamese.
- State field offices and call centers have access to a “language line” which provides telephone interpreters fluent in many languages.
- Sign language interpreters are available for face-to-face interviews with clients who are deaf or hearing impaired.
- Call centers are equipped with Relay Texas or TDD lines.

# Integrated Eligibility Pilot Issues



- Insufficient call handling – timeliness & accuracy
- Inadequate training – customer service representatives lacked skill, technology knowledge and speed
- Processing delays
- Technology systems issues

# Strengthen Customer Call Center Performance



## Response Times

- Increased number of customer service representatives
- Created online searchable call scripts
- Implemented call escalation to State policy experts

## Accuracy of Response

- On-site Policy Support at Midland Customer Care Center
- On-site Reviews
- Call monitoring
- Comprehensive and targeted case auditing

# Improve Training Efforts



- HHSC Developed policy curriculum for:
  - TAA Customer Care Representatives
  - Train-the-Trainer classes
- Delivered training for New Hires and TAA trainers in April, May and June.
- Developed and administered assessments of TAA staff who completed policy training.

# Technology Issues and Solutions

# TIERS



- Established by the 76<sup>th</sup> Legislature in 1999 to design and replace multiple client eligibility determination systems.
- TIERS is as modern as today's Internet technology and will integrate the application process for more than 50 HHS programs.
- A TIERS pilot began in June 2003 in eligibility offices in Travis and Hays counties. More than 147,000 clients receive their benefits each month through TIERS.
- At a cost of about \$279 million, TIERS does more and costs less than similar systems in other large states.



# TIERS Deliverables



- TIERS will:
  - Replace multiple outdated existing automated systems with a single integrated automated system that uses state of the art technology to support eligibility determination process; systems to be replaced include the 25 year old SAVERR mainframe system.
  - Ensure effective and efficient business processes
  - Establish a foundation for a comprehensive integrated eligibility process to meet the current and future needs of Texans.
- TIERS is the backbone in implementing the vision of integrated services.

# Contract Overview

# Contract Performance Issues

---



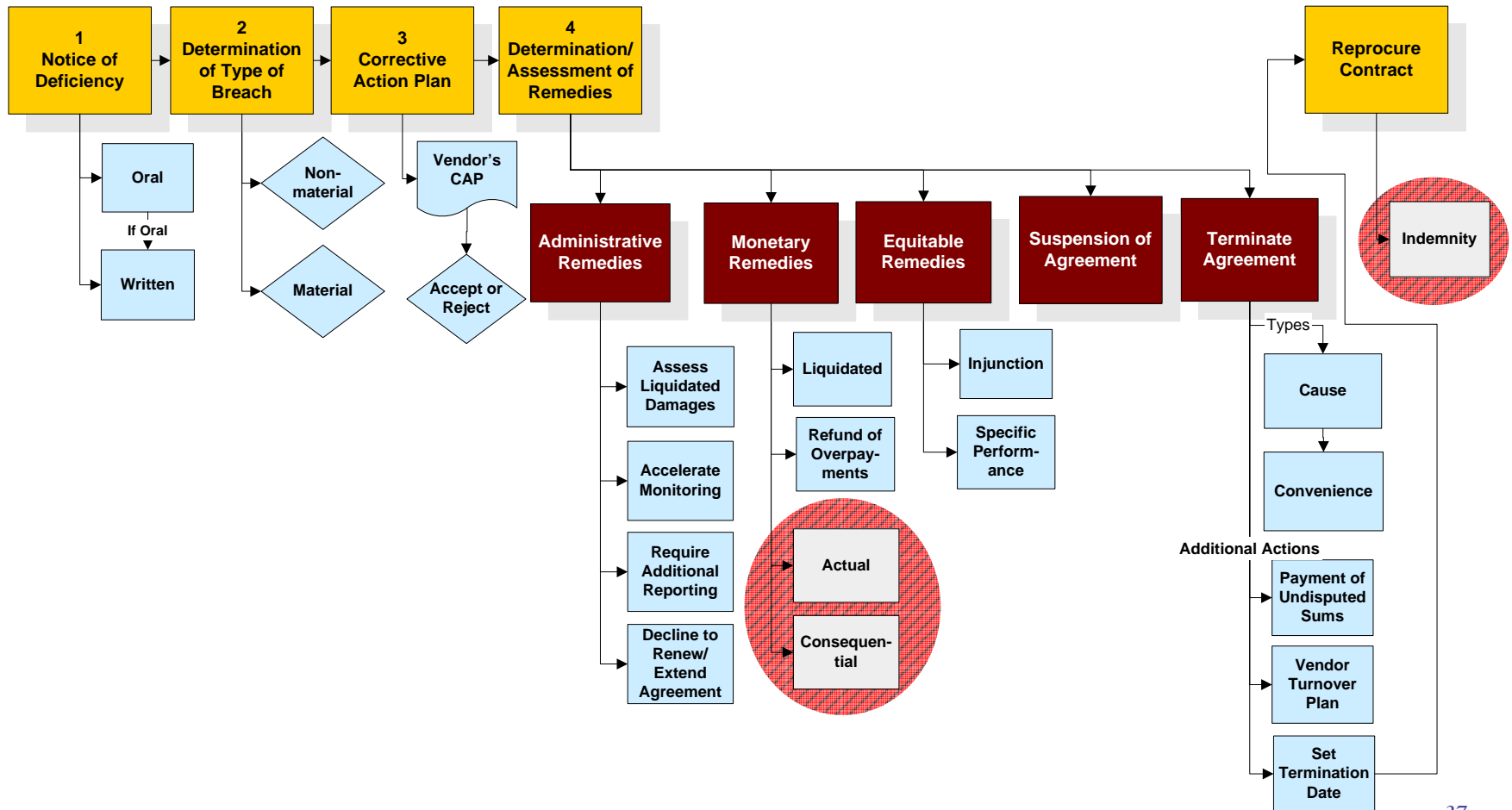
- The new system has worked well for many Texas consumers, but improvements must be made.
- Technical and operational improvements are needed before further rollout of the new system. Improvements include:
  - Better training for call center staff
  - Processes to more quickly resolve complicated cases
  - Better reporting tools to trace cases and workload
  - Improved data collection

# Strong Accountability

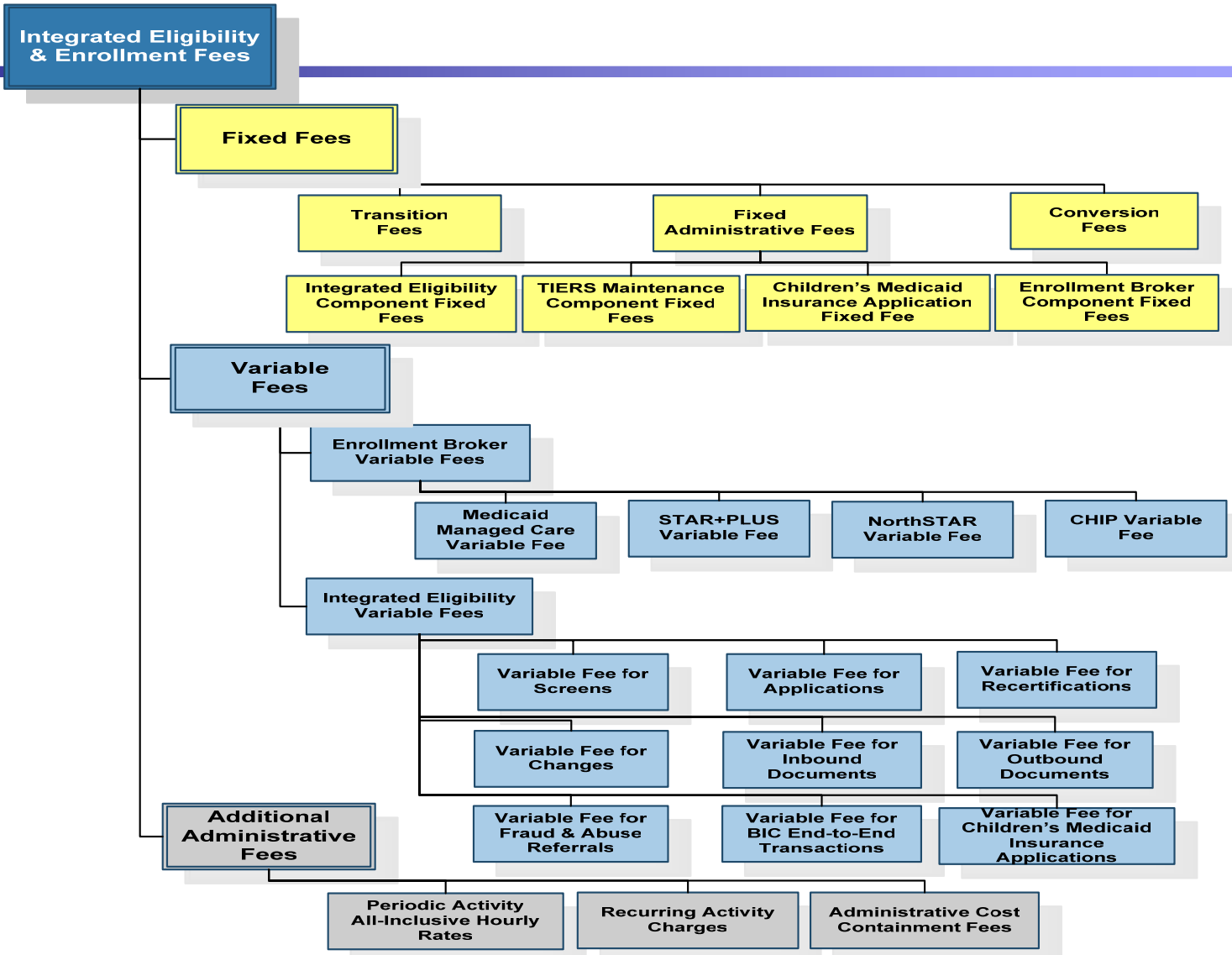


- Performance based contract includes requirements that emphasize customer service and ensure strong accountability for tax dollars.
  - Vendor performance is measured and monitored on the basis of:
    - State and Federal laws
    - Key Performance Requirements
    - Remedies, including Liquidated Damages, Consequential Damages, Pass-through of Federal Penalties
- Payment is based on:
  - Volume of work done
    - Vendor is not paid for work not performed
    - Payment is not conditioned on volume of denials
  - Ability to meet strict standards for timeliness and accuracy

# Legal Remedies



# Contract Cost Structure



# Bottom Line



- Application and re-enrollment for HHSC services should be as simple as possible.
- We must balance that desire against our duty to Texas taxpayers to ensure that we preserve these programs for those families who continue to meet the eligibility requirements set out in State and Federal law
- The pilot has proven the Integrated Eligibility concept is sound.
- The new system has worked well for many consumers.
- But the pilot also tells us improvements must be made in two areas – call center operations and technical performance – before moving forward.
- HHSC is taking aggressive steps to ensure improvements are made.
- We have a duty to hold ourselves and TAA accountable.
- HHSC employs a rigorous rollout readiness criteria.

# Conclusion



- 
- There is a clear need to modernize our current system.
  - We are still in the earliest phases of this project.
  - We are committed to creating a system that works better and costs less.
  - We are working to both improve the performance of the new eligibility system and ensure that the contractor is held accountable for any costs incurred by the state as a result of those performance issues.
  - We will not roll out the piloted system if we are not absolutely confident that we're ready.
  - We have learned a lot from the Travis and Hays Counties pilot and we will apply those lessons to the design of the new IE system. Structural changes will occur before we go forward with statewide roll-out. These modifications will help ensure a smooth transition to a better, more cost effective system.