

Transforming Eligibility Services

A New Strategy for Expanding Access to Services, Modernizing Technology

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The Texas Health and Human Services Commission (HHSC) is working to modernize its systems and improve services by allowing Texans to apply for state benefits in person, through the Internet, over the phone and by fax or mail. Benefits of the new system include:

- **Convenient access for consumers.** Texans will not have to take off work, pay for transportation or arrange childcare to apply for services. The new system features expanded business hours with assistance available by dialing 2-1-1 from 8 a.m. to 8 p.m. weekdays.
- **Field offices strategically located across the state to allow consumers to apply for services in person.** The new system will include a robust network of state field offices and state workers stationed in hospitals and other medical facilities.
- **Easier renewal process.** Consumers will be able to renew coverage and make basic changes, such as addresses, without an office visit by using the phone, mail or Internet.
- **One application for many services.** Greater coordination and integration will mean clients will be able to access a variety of services with one application.
- **Increased productivity.** Automated and streamlined forms and processes will increase worker productivity and reduce errors.

The project was initiated in response to statutory requirements directing the use of call centers if cost effective. HHSC developed a detailed business case and analysis that concluded that call centers would be a cost-effective addition to the state's eligibility system. After a competitive procurement, HHSC entered into a contract with the Texas Access Alliance (TAA) for call center operations, processing and eligibility determination for the Children's Health Insurance Program (CHIP), maintenance of the TIERS computer system, and enrollment broker services.

HHSC began implementing a new eligibility system in four pilot offices in January 2006. In addition, the vendor also began handling applications and enrollment for CHIP in November 2005. An evaluation of the new eligibility system and of CHIP operations identified several problems in the vendor's performance:

- Processing times were too slow, leading to a backlog in the pilot area. As a result, the state suspended the pilot.
- Unnecessary letters were sent to CHIP applicants requesting more information. A review found that in some of the cases, the requested information was either on the original application or had been received by the subcontractor and not attached to the case properly or within required timeframes. This issue led the state to implement manual checks to ensure that families were not inappropriately disenrolled.
- The error rate on food stamp, Medicaid and TANF cases was too high which resulted in too many cases being returned to the vendor for corrections.

- The quality of information provided to callers involving complex cases was unacceptable. These cases should have been escalated to state staff sooner.

New Strategy for Achieving State's Goals

Improve CHIP Performance

- **Change CHIP management.** Within the contract, management of CHIP will change with Accenture taking over responsibilities previously handled by Maximus.
- **Transfer the client appeal process to the state.** Vendor staff have handled applicants' appeals of case decisions since CHIP's inception in 2000. Moving the appeal process to the state will ensure proper case decisions for clients and greater accountability for vendor performance.
- **Improve tracking of client correspondence.** The vendor will add barcodes to client letters and forms to ensure that information submitted in response to the correspondence is promptly attached to the correct case file.

Modernize Technology

- **Convert cases to the state's new computer system.** In early 2007, HHSC will begin a gradual conversion of 8 million food stamp, Medicaid and TANF clients to the Texas Integrated Eligibility Redesign System (TIERS). It is expected to take about 18 months to complete a statewide conversion. TIERS has issued almost \$400 million in benefits to more than 340,000 Texans and will serve as the technological foundation for a more integrated health and human services system. State workers will continue to process all cases, and all current state benefits offices will remain open.
- **Provide consumers with more ways to apply for services.** Moving to a more modern computer system provides the infrastructure to allow the state to add service options, such as the ability to apply by phone and Internet, check the status of a case by phone, and use self-service centers in local offices. Clients will continue to be able to get assistance by visiting their local office and meeting with a state worker.
- **Retire the state's current system.** TIERS will replace several outdated systems, including the 30-year-old System of Application, Verification, Eligibility, Referral and Reporting system (SAVERR). SAVERR, which was designed in the '60s, launched in the '70s, and built on technology that is out of date and difficult to service. It costs the state almost \$1 million a month to maintain the current system.

Refocus Contract and Provide Better Eligibility Services

- **Rebalance the roles of the state and the vendor.** Vendor staff will be used in support roles to state operations, and issues will be escalated to state staff more quickly. In the current model, for example, vendor staff image an application into the system and attempt to verify some information through independent sources. If an application lists no cars and the independent check indicates the household has a car, vendor staff attempt to resolve the discrepancy before sending the case to state staff. In the rebalanced model, vendor staff will image the case into the system, run the independent checks and submit all the information promptly to state staff who will decide how to proceed.

- **Integrate CHIP processing into TIERS.** The state will transition CHIP cases into the new computer system in late 2007 to improve the coordination between CHIP and Medicaid.
- **Complete technology improvements.** Work will continue on enhancements to help TIERS perform better in a call center environment. Completion of these improvements will allow the state to stop using an interim business solution that led to workflow issues and a backlog of cases.
- **Re-launch pilot when system improvements are ready.** The state will resume the pilot in Travis, Hays and Williamson counties with a more limited role for the vendor once the technology solutions are in place to support improved performance.
- **Reduce the contract by \$358 million.** The original contract was valued at \$899 million and expired at the end of fiscal year 2010. The revised contract is valued at \$541 million.

	Original Contract	Revised Contract
Enrollment Broker	\$129 million	\$128 million
TIERS Support	\$187 million	\$184 million
CHIP Operations	\$126 million	\$ 50 million
Integrated Eligibility Call Centers	\$339 million	\$133 million
Integrated Eligibility Processing	\$118 million	\$ 46 million
Total TAA Contract	\$899 million	\$541 million

Maintain State Workforce

- **Strategically convert 900 temporary positions in eligibility offices to regular-status positions.** This move is designed to help stabilize the state workforce. This will bring the total eligibility determination workforce to 5,110 regular status employees.
- **Use centralized state staff units to relieve workload in field offices.** For example, HHSC has created a special eligibility unit to process applications for the Women’s Health Program, which begins Jan. 1. This will ensure that local offices do not experience an increase in workload as a result of this new program. HHSC will create other such units to reduce the workload at local offices.
- **Assure state staff that no reduction in force will be necessary.** HHSC is confident that the transition to the new system can be completed without any reduction in force and within the agency’s baseline appropriations levels.

Enforce Accountability Measures

- **Adjust payments and fees to reflect the reduced role of the vendor.** The integrated eligibility and CHIP portions of the contract will be reduced to \$229 million over three years from the original value of \$583 million over five years.
- **Recover \$30 million in state costs through service credits and discounts.**
- **Modify the key performance measures required under the contract.** The new measures will address issues and reflect the modified contract responsibilities.