

House Bill 3575

Health and Human Services Eligibility System Transition Plan



Health and Human Services Commission

November 2008 Update

BACKGROUND

H.B. 3575 directs the Health and Human Services Commission (HHSC) to develop a transition plan under which the eligibility system in existence on September 1, 2007, is transformed and enhanced to be more fully functional relative to the needs of eligible Texas residents and to meet specific goals.

To date, there have been several key accomplishments:

- Timeliness for food stamp applications has improved statewide and in TIERS.
- Eligibility staffing levels have increased.
- Additional workers located across the state have received TIERS training.
- TIERS enhancements have been implemented to improve usability.
- Initial conversion of the FY 2009 TIERS roll-out plan was successfully completed.

As noted in previous installments of the transition plan, the transformation of the eligibility system requires significant changes to the business process and to the automation that supports eligibility determination. The transition to the new system is a dynamic process. As a result, the timeline for transformation cannot be laid out in a static plan. Therefore, HHSC periodically updates the plan to coincide with the schedule of the Joint Committee on Oversight of the Health and Human Services Eligibility System. This update to the plan builds on the history, next steps, and challenges laid out in the earlier installments.

PROGRESS REPORT

In previous reports, HHSC has discussed some of the challenges that result from maintaining and operating in two eligibility systems. One manifestation of this was a decline in statewide food stamp timeliness. HHSC had seen a period of declining performance that spanned from May 2007 until February 2008. Timeliness began to improve in March 2008 as a result of several initiatives that were reported in the July 2008 update to the transition plan.

The improvement trend continued through September, but was impacted in October as a direct result of Hurricane Ike striking the Texas coast on September 13, 2008. Hurricane Ike brought an influx of new applications for benefits from individuals residing in the affected areas. Added to this was a reduction in resources due to office closures. Between September and October, 133 health and human services facilities were closed at some point due to damage or power loss caused by Hurricane Ike. As of November 6, 2008, eight health and human services offices remain closed due to extensive damage (four of these are eligibility offices).

There were limitations to HHSC's efforts to support the affected regions because these areas process the vast majority of their food stamp applications in SAVERR. Additionally, the Houston and Beaumont areas lacked the infrastructure that would have allowed staff from other areas of the state to be temporarily relocated to assist with the increased workload.

Balancing a sharp increase in the SAVERR workload was far more challenging and time-consuming than it would have been had this crisis involved TIERS offices. For cases in TIERS, the business process calls for all applications to be imaged and uploaded into TIERS, which allows applications to be processed by workers located throughout the state. In order to shift workload to other areas of the state, the paper-based SAVERR business process required

applications and documentation received in the local offices to be mailed overnight to other areas of the state for processing. In some instances, the paper-based system resulted in some applications and supporting documentation becoming “stranded” in the closed offices. Staff from other offices around the state had to start the process over because the information was not available, either on paper or in the system.

Another disadvantage of SAVERR is that access to the mainframe that stores the data is dependent upon the availability of the local area network (LAN) that supports access to SAVERR in each office. In some instances, offices had electricity and functioning computers, but were unable to complete applications because it was not possible to access the network. TIERS is far less dependent on this local infrastructure, and only requires a functioning computer and an Internet connection for access.

To help support the large influx of calls and applications from the affected regions of the state, HHSC’s contractor, MAXIMUS, assisted the response effort by accepting emergency food stamp applications over the phone and handling calls from clients from the affected SAVERR areas. In the five weeks following Hurricane Ike, MAXIMUS handled more than 280,000 calls, which is a significant increase over normal call volumes.

HHSC and MAXIMUS temporarily reassigned employees from other areas to assist with client calls, and authorized overtime in an effort to keep up with the surge of new applications. Applications accepted over the phone were transcribed to paper applications. The paper applications were imaged and routed through the process that is currently in place to handle applications and renewals for SAVERR cases that are misdirected to the call center. The current systems are not scaled to accept the volume brought on by Hurricane Ike, but were utilized to help redistribute the workload where possible.

Timely Disposition of Benefits

Federal standards require that 95 percent of applications received be processed within established timeframes. Significant improvements have been made, but achieving the federal standard continues to be a challenge. In September 2008, timeliness of food stamp applications completed within established timeframes statewide had increased to 90.4 percent, compared to 82.4 percent in February 2008.

Hurricane Ike has and will continue to affect timeliness. Residents of the Texas Gulf Coast applied for disaster-related food stamp benefits in record numbers, with overall applications for food stamps increasing by 194.8 percent (or 219,736) between September and October. A total of 142,430 households and more than 372,000 individuals from the 29 disaster counties have been certified for benefits since September 16, 2008.

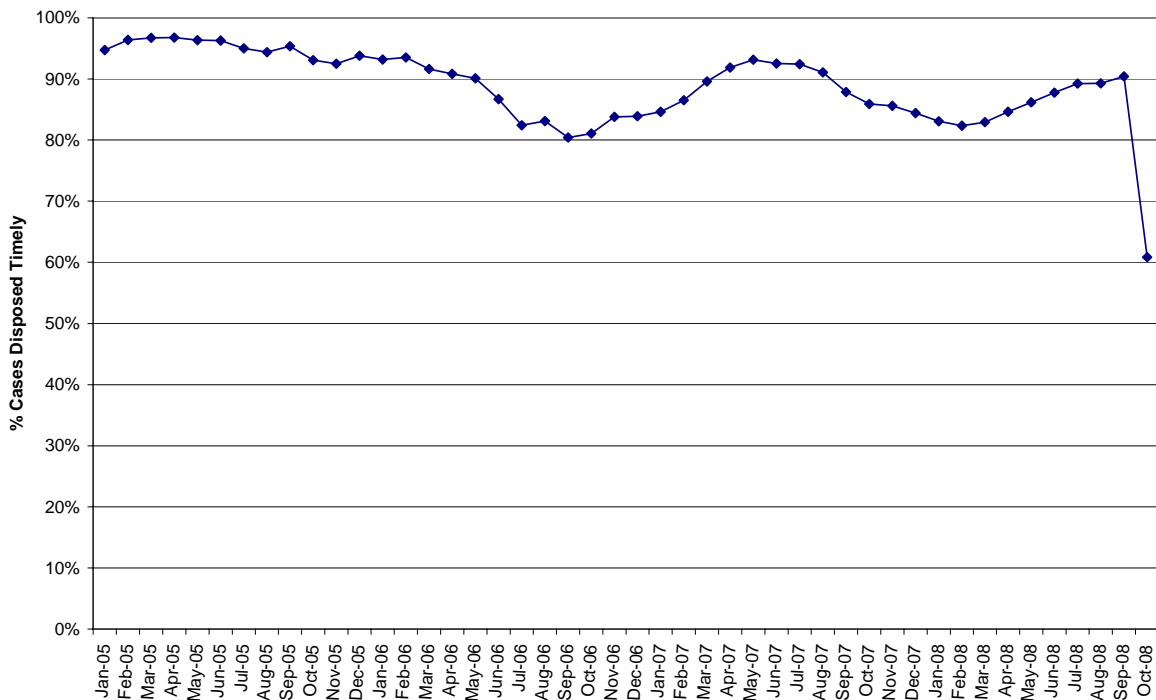
Several factors related to Ike impact the timeliness of application processing. One primary factor is that applications for food stamps for Hurricane Ike victims were processed in the eligibility system in the same manner as expedited food stamps. This inflates the number of untimely eligibility determinations. The state accepted Hurricane Ike emergency food stamp applications through October 15, 2008, but timeliness was calculated from the file date of September 16, 2008. To be considered timely, expedited applications must be processed by the next business day; therefore, the majority of Hurricane Ike-related applications appear untimely.

Looking ahead, as the emergency benefits expire many households will reapply for benefits, which will also significantly impact workload. Furthermore, due to the emergency situation, Hurricane Ike applications were prioritized over the regular and ongoing workload in the offices. Timeliness will be affected until the workload stabilizes.

The timeliness for regions less affected by Hurricane Ike saw an 87.1 percent increase in the application rate between September and October 2008. Timeliness for these regions was 90.4 percent in September and 81.8 percent in October 2008. In contrast, the Beaumont and Houston regions saw a 560.7 percent increase in the application rate, and timeliness fell from 91.8 percent in September to only 40.6 percent in October.

The charts below detail this growth in applications and the resulting decline in statewide timeliness.

Statewide Percentage of Food Stamp Applications Completed within Established Timeframes



Calendar Year 2008 Detail for Statewide Food Stamp Applications

Month	Applications Disposed	Percent Timely
January 2008	133,146	83.1%
February 2008	112,168	82.4%
March 2008	143,791	82.9%
April 2008	116,701	84.6%
May 2008	123,162	86.2%
June 2008	154,179	87.8%
July 2008	114,890	89.3%
August 2008	112,520	89.3%
September 2008	112,779	90.4%
October 2008	332,515	60.8%

The impact of the higher application rate is more pronounced at the regional level. The areas most affected by Hurricane Ike saw the largest growth in applications and the greatest declines in timeliness. The Beaumont and Houston regions experienced a respective increase of 695.9 percent and 532.2 percent in applications between September and October.

**Food Stamp Application Timeliness by Region for September and October 2008
(Beaumont and Houston Regions Excluded)**

	September		October		
	Disposed	Percent Timely	Disposed	Percent Timely	Percent Increase*
Lubbock	4,224	94.0%	6,337	91.6%	50.0%
Abilene/Midland	4,879	92.9%	7,575	87.4%	55.3%
Dallas/Fort Worth	24,505	91.0%	49,476	79.7%	101.9%
Tyler	5,057	91.7%	11,233	85.1%	122.1%
Austin	11,975	89.8%	25,828	77.6%	115.7%
San Antonio	12,520	90.4%	22,818	83.4%	82.3%
El Paso	4,759	90.3%	8,367	84.4%	75.8%
Rio Grande Valley	14,813	88.4%	19,610	84.3%	32.4%
Other	4,393	80.5%	11,775	79.5%	168.0%
Total	87,125	90.4%	163,019	81.8%	87.1%

* Since emergency food stamp applications from the Houston and Beaumont regions were sent to other offices for processing, increases in other regions are the result of this disbursement of workload. This increase was in addition to applications filed in local offices in other regions by evacuees who had relocated.

**Food Stamp Application Timeliness by Region for September and October 2008
(Beaumont and Houston Regions Only)**

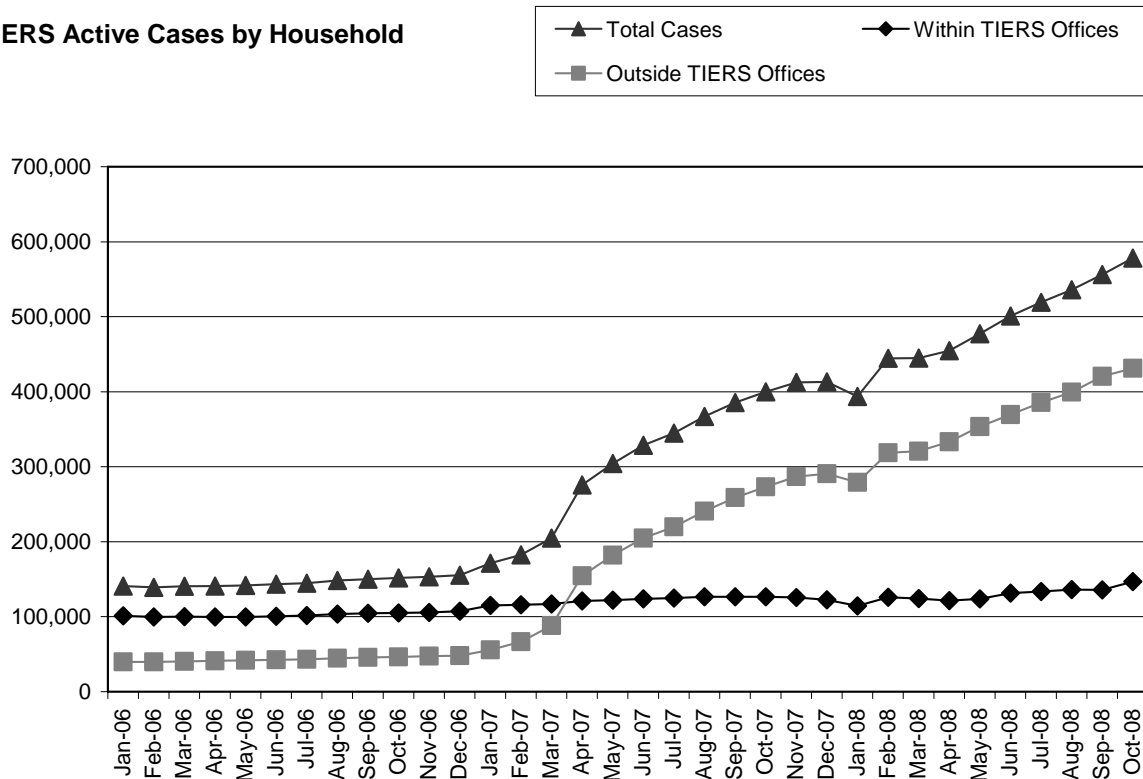
	September		October		
	Disposed	Percent Timely	Disposed	Percent Timely	Percent Increase
Beaumont	4,465	89.5%	35,539	40.6%	695.9%
Houston	21,189	92.3%	133,957	40.7%	532.2%
Total	25,654	91.8%	169,496	40.6%	560.7%

In response to the increase in the number of individuals applying for assistance, HHSC shifted resources to process emergency food stamp applications, including the use of overnight mail, to send paper-based applications to staff in unaffected regions across the state. Furthermore, these efforts included expanding business hours for eligibility offices and the call centers, and implementing a federal waiver which allowed a simplified application for disaster-related food stamps that required less documentation and verification. The application deadline for disaster-related food stamps was October 15, 2008; therefore, application rates and call volume should continue to stabilize over the next several weeks.

Timeliness of Cases Processed in TIERS

The number of TIERS cases outside the pilot area continues to increase. These cases represent 74.6 percent of all cases in TIERS as of October 2008, compared to 67.1 percent in September 2007. There was a slight increase in October 2008 in the number of TIERS cases in TIERS offices as a result of the conversion of approximately 8,500 cases in nine Central Texas offices to TIERS. The following chart details this continuing trend.

TIERS Active Cases by Household



A case refers to a single program type. A person or household may have multiple cases if they qualify for more than one program, such as a family that receives both food stamps and Medicaid. Therefore, the number of cases does not represent an unduplicated number of clients.

To address the difference in timeliness between SAVERR and TIERS, HHSC has focused on increasing the number of TIERS-trained staff in the non-pilot areas of the state. Of the 4,709 eligibility staff that perform eligibility determinations and who were employed on October 30, 2008, 47.8 percent (or 2,253) had received TIERS training. These staff are located in the regions as follows:

Percentage of Staff Trained in TIERS by Region¹

Region	As of June 30, 2008	As of October 30, 2008
Lubbock	59.4%	73.7%
Abilene/Midland	33.3%	42.1%
Dallas/Fort Worth	19.9%	31.8%
Tyler	27.8%	41.8%
Beaumont*	64.5%	60.1%
Houston	17.3%	18.4%
Austin	69.8%	91.8%
San Antonio*	39.0%	37.5%
El Paso	43.0%	45.0%
Rio Grande Valley	36.4%	47.8%
Totals	40.6%	47.8%

* Decreases in the Beaumont and San Antonio regions are due to turnover.

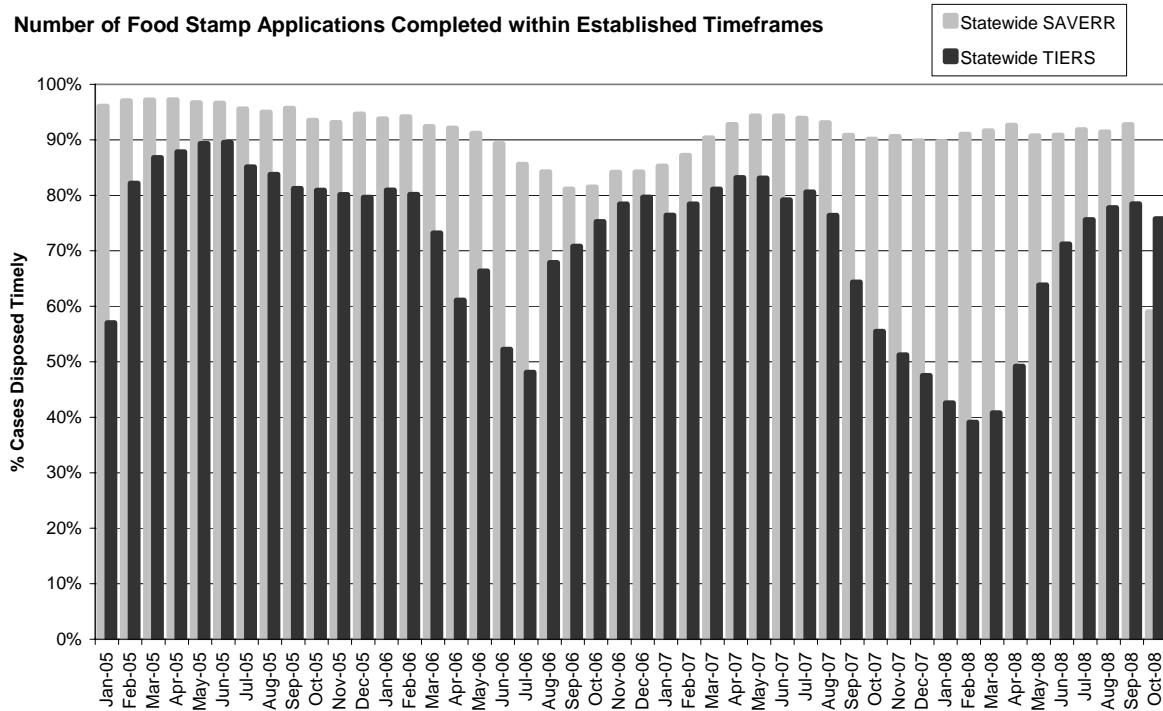
Training additional staff has resulted in improved timeliness for food stamp cases processed in TIERS. The improvement trend that began in March continued through September, when it reached 78.5 percent. Hurricane Ike's impact resulted in a slight decrease in October.

Statewide TIERS Timeliness Comparison

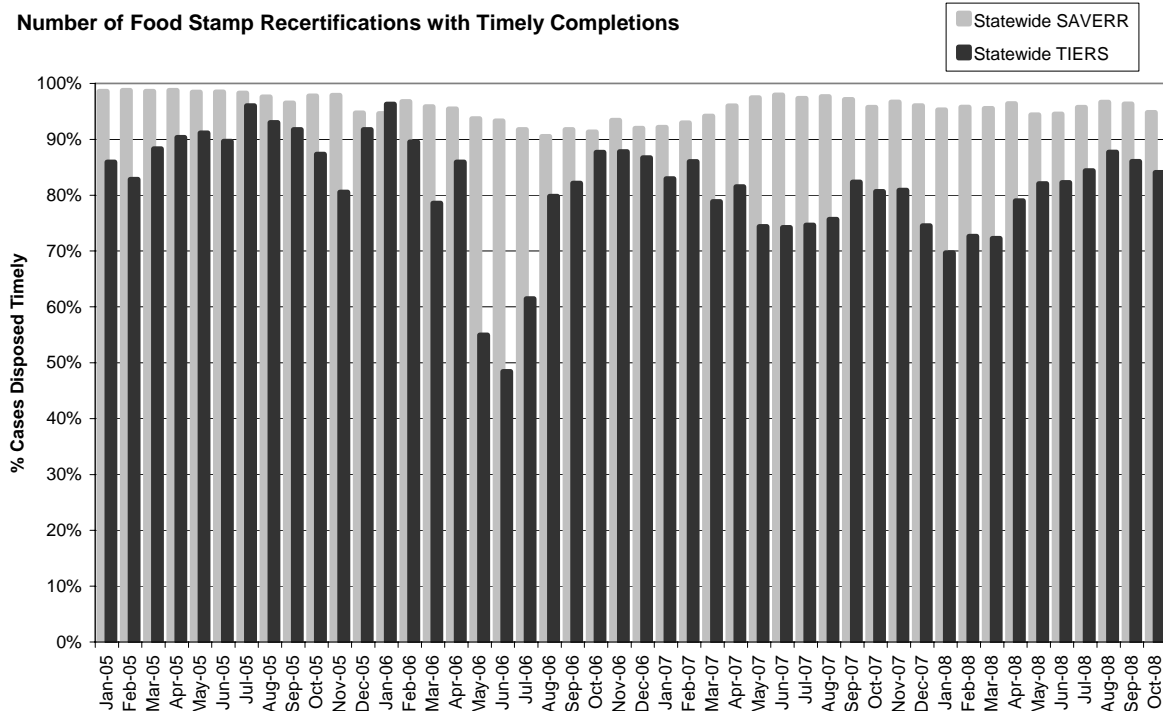
	September 2007	February 2008	September 2008	October 2008
Applications	64.4%	39.1%	78.5%	75.8%
Recertifications	82.3%	72.6%	86.0%	84.1%

¹ These data are based on October 2008 records of filled staff, which is filtered to include only the positions with primary responsibility for determining eligibility (excludes supervisors and clerks). This list was compared to TIERS training records that have been maintained since January 1, 2006. As a result, this breakout underestimates the number of TIERS trained staff since it does not include staff trained prior to January 1, 2006.

Number of Food Stamp Applications Completed within Established Timeframes



Number of Food Stamp Recertifications with Timely Completions



Timeliness within TIERS offices has continued to increase.

- Hays County: 94.2 percent of food stamp applications were disposed timely in September 2008, compared to 74.9 percent in January 2008.
- Travis County: 86.2 percent of food stamp applications were disposed timely in September 2008, compared to 62.3 percent in January 2008.

- Williamson County: 84.9 percent of food stamp applications were disposed timely in September 2008, compared to 66.1 percent in January 2008.

As with the overall statewide timeliness, timeliness for applications processed in TIERS also decreased in October. However, the decrease was less pronounced in the pilot offices, with a drop from 86.6 to 83.2 percent between September and October. Statewide, timeliness for applications processed in TIERS fell slightly from 78.5 percent in September to 75.8 percent in October.

Impact of Hurricane Ike on Timeliness

	September 2008	October 2008
All Cases Statewide*	90.4%	60.8%
SAVERR Cases Statewide	92.7%	59.0%
TIERS Cases Statewide	78.5%	75.8%
TIERS-only Offices	86.6%	83.2%

*Statewide, SAVERR cases comprised 83.9 percent in September and 88.9 percent in October.

Increasing and Stabilizing the Workforce

HHSC is continuing hiring efforts for additional eligibility staff to reach to the 2008-09 biennial authorized staffing level of 7,438. For fiscal year 2009, an additional 451 eligibility staff have been authorized, which will bring the staffing level to 7,889. HHSC's Legislative Appropriations Request (LAR) for the 2010-11 biennium includes two exceptional item requests that would increase eligibility determination staffing levels. If approved, the exceptional items would increase the base request of 7,438 eligibility staff to 8,270 in fiscal year 2010 and 8,433 in fiscal year 2011.

Following is a breakdown of the number of eligibility determination staff requested within the exceptional items:

Eligibility Staffing Requests	FY 2010	FY 2011
Base Request	7,438	7,438.0
Exceptional Item Requests		
Maintain FY 2009 Staffing Level	451	451.0
Support Caseload Growth	381	544.0
Total Request	8,270	8,433

In September 2008, there was a total of 6,828 eligibility staff. Eligibility staffing grew from 6,343 in September 2007 to a peak of 7,126 in May 2008. Hiring flattened during the summer months, while the turnover rate held steady.

After Hurricane Ike made landfall, the focus of regional staff was redirected to processing applications, ensuring all staff were accounted for and assigned to offices as they reopened, and temporarily using eligibility staff in offices around the state to support offices in the Houston and

Beaumont regions. Regions have approval to use contracted temporary clerical staff to assist with the increased workload. State office is assisting the regions by assigning hiring coordinators to help expedite and facilitate the hiring process and by completing required processing usually completed by the regions.

As evidenced by this recent decrease in staff, turnover continues to be an issue. Overall, turnover decreased in fiscal year 2008 when compared to the previous two years. There was a modest reduction in turnover between fiscal years 2007 and 2008. The statewide turnover rate for fiscal year 2008 is at 21 percent, compared to 22.3 percent in fiscal year 2007.

HHSC continues to monitor the turnover rates for specific eligibility job titles. The compensation enhancement plan announced in February 2008 helped stabilize the workforce and reduced the turnover that was seen in the first quarter of fiscal year 2008. In the fourth quarter, the turnover rate for eligibility workers was at 21.5 percent compared to 26.2 percent seen in the first quarter of the fiscal year. Turnover rates also improved for clerks and supervisors.

Job Title	Fiscal Year 2006	Fiscal Year 2007	First Quarter FY 2008	Second Quarter FY 2008	Third Quarter FY 2008*	Fourth Quarter FY 2008	Fiscal Year 2008
Clerks	38.3%	23.5%	21.8%	24.3%	16.2%	23.5%	21.3%
Eligibility Workers	28.8%	22.2%	26.2%	21.7%	20.1%	21.5%	22.2%
Supervisors	23.5%	8.2%	8.4%	4.0%	8.2%	3.8%	6.1%

* Third quarter data were updated from the last report to reflect additional losses that occurred, but were not reported until the fourth quarter.

TIERS Enhancements

MEPD Enhancements

In August 2008, HHSC released an update to TIERS to enhance the Medicaid for the Elderly and People with Disabilities (MEPD) eligibility process. Prior to the update, the MEPD eligibility determination process and other functions were dependent on certain actions being completed in TIERS in a specific sequence that involved both HHSC and Department of Aging and Disability Services (DADS) staff. DADS' system of record, the Service Authorization System (SAS), would send data elements to TIERS and records were maintained in both systems. The August update removed this dependency and eliminated redundant data in both systems. TIERS is now the system of record for MEPD client demographics, eligibility records and benefit issuances, and SAS is the system of record for the functional eligibility data and service authorizations relating to payments for DADS providers and programs.

The addition of web services that allows TIERS and SAS to automatically receive the data needed to complete the eligibility and co-payment determinations for MEPD programs will further enhance MEPD processes. Currently, a manual process is used.

Usability Enhancements

As was mentioned in the last report, HHSC requested feedback from eligibility staff and identified a number of usability enhancements that will be programmed into TIERS in several upcoming updates. The TIERS update scheduled for December 2008 will include several key enhancements. One improvement will be to the data entry involved in processing renewals. The revision will allow staff to directly access only the pages that require changes to process the renewal. Staff will have the ability to view summary pages for case information and select the pages that need to be updated on the case. The December release will also include improvements to the layout of frequently used screens and navigation buttons, and will include a revision that will display frequently used information so that the most current information is more easily viewed.

NEXT STEPS

TIERS Geographic Roll-out

October Conversion

In October, HHSC completed the first conversion in a series of geographic roll-outs that were approved by the Food and Nutrition Service (FNS) in May 2008. Readiness reviews completed prior to the conversion confirmed that each office was prepared for the conversion.

Approximately 8,500 Medicaid, food stamp, and Temporary Assistance for Needy Families (TANF) cases in SAVERR were converted in this process. The nine Central Texas (Region 7) eligibility offices are located in the following cities:

Bastrop	Hamilton	Llano
Elgin	LaGrange	Marble Falls
Goldthwaite	Lampasas	San Saba

For the two weeks following conversion, regional management held daily phone conferences with each of the offices to monitor any issues resulting from the conversion. Reports from staff have been positive and they indicate that the transition has gone very smoothly.

As was reported in the previous update to the transition plan, each conversion office is assigned temporary on-site support staff to provide technical assistance following the conversion. The duration of these temporary placements is dependent on the staff's comfort level with TIERS and the number of issues they encounter post-conversion. Based on the positive progress and stability achieved in the week following the conversion, the onsite support staff was released from eight of the nine offices. TIERS mentors remain in the offices, and technical support continues to be available to all offices by phone.

Within each conversion, a certain percentage of food stamp and TANF cases do not automatically convert because the benefit calculations do not match to the penny. These cases must be manually reviewed and resolved by eligibility staff. In these cases, benefits are issued from TIERS based on the SAVERR amount until the case is manually reviewed and corrected, if necessary. In the October conversion, 866 or 10.1 percent of the 8,549 converted cases required additional review. As of November 6, 2008, all but six of these cases have been resolved.

A post-conversion benchmark was established for each office to monitor timeliness in the months following a conversion. HHSC will monitor timeliness of the conversion offices in the three months following the conversions. If timeliness in any of the offices falls more than three percentage points below the average timeliness for the three months preceding the conversion, a root cause analysis will be performed by the Independent Validation and Verification (IV&V) vendor to identify the factors contributing to the decline. HHSC will evaluate timeliness at 30, 60, and 90 days post-conversion. If TIERS performance or changes to the business processes associated with rolling out TIERS are identified by the IV&V vendor as a primary causal factor, then a remediation plan will be developed and any impact to future roll-out schedule will be assessed. The first post-conversion report will be available mid-November, and the data will be reported to the committee.

Future Conversions

An additional 22,008 SAVERR cases from four Central Texas offices are scheduled for conversion to TIERS no later than the end of November. These offices are located in Copperas Cove, Gatesville, Killeen, and Temple. Readiness assessments have been conducted that confirmed the offices are prepared for conversion.

Following is the schedule for the remainder of the fiscal year 2009 roll-outs that were approved by FNS:

January 2009 Office Conversions – Approximately 22,500 SAVERR Cases

Bryan	Caldwell
Centerville	Brenham
Madisonville	Rockdale
Navasota	Marlin
Giddings	Cameron
Hearne	

February 2009 Office Conversions – Approximately 29,000 SAVERR Cases (Completes Region 7)

Waco	Teague
Hillsboro	Luling
Meridian	Lockhart
Mexia	

April 2009 Office Conversions – Approximately 54,300 SAVERR Cases

Canutillo	Yandell (Midtown)
Diana (Mountain View)	El Paso Drive

May 2009 Office Conversions – Approximately 32,300 SAVERR Cases

Edgemere (Eastside)	Lomaland
Alameda (Riverside)	

June 2009 Office Conversions – Approximately 22,100 SAVERR Cases
(Completes Region 10)

Fabens	Marfa
Socorro (Mission Valley)	Van Horn
Alpine	Presidio

July 2009 Office Conversions – Approximately 30,700 SAVERR Cases

Amarillo	Childress
Perryton	Memphis
Borger	Plainview
Dalhart	Muleshoe
Dumas	Tulia
Pampa	

August 2009 Office Conversions – Approximately 33,500 SAVERR Cases
(Completes Region 1)

Lubbock Parkway	Levelland
Lorenzo	Post
Brownfield	Hereford
Denver City	Littlefield
Tahoka	Dimmitt

TIERS Program Expansions

Medicaid for the Elderly and People with Disabilities (MEPD)

MEPD cases have some unique characteristics, including a two step eligibility process for some MEPD cases. HHSC staff determines financial eligibility, and a functional assessment is completed by staff at the DADS. However, over 640,000 of the approximately 950,000 MEPD cases derive their Medicaid eligibility through Supplemental Security Income (SSI) eligibility. The Social Security Administration (SSA) completes the financial determination and notifies HHSC of the results through an automated interface. These cases do not require HHSC eligibility worker intervention to certify eligibility. Denials are also processed through an automated interface with SSA. While these MEPD cases require some case maintenance performed by HHSC eligibility workers, they represent less workload.

The July update of the transition plan included information on the proposed schedule of converting MEPD cases. Based on additional reviews and consideration of feedback received from the Joint Committee on Oversight of the Health and Human Services Eligibility System, the MEPD conversion plan has been revised.

Under the new plan, MEPD cases in the Central Texas, El Paso, and Lubbock regions (Regions 7, 10, and 1) will be converted beginning in January 2009, according to the following schedule:

	Estimated Number of Cases	MEPD Case Type
January 2009 (Region 7)	12,198	Non-SSI Cases
February 2009 (Region 7)	10,000	Non-SSI Cases
	41,262	SSI Cases
April 2009 (Region 10)	15,572	Non-SSI Cases
June 2009 (Region 10)	27,758	SSI Cases
July 2009 (Region 1)	6,372	Non-SSI Cases
August 2009 (Region 1)	7,000	Non-SSI Cases
	15,881	SSI Cases

Contingent upon the success of the initial MEPD conversions in fiscal year 2009, the current plan is to convert the remaining MEPD cases in three, distinct conversions for the remaining regions (2, 3, 4, 5, 6, 8, 9, and 11). These are currently scheduled to occur in fiscal year 2010.

HHSC will review and report the status of the following MEPD-specific benchmarks prior to each MEPD conversion:

Benchmark: Adequacy of MEPD staff trained in TIERS and available to process cases.

Measure: 500 MEPD cases per TIERS-trained worker. This benchmark mirrors the staffing ratio used for the Texas Works conversions.

A centralized command center will be established to provide experienced policy assistance to MEPD staff during the transition of these cases to TIERS. The command center adds experienced MEPD policy support to assist the on-site support and end user staff in distinguishing between complex MEPD policy and system navigation. The command center function will be in place for a minimum of two weeks after each MEPD conversion.

Since the MEPD conversions will occur simultaneously to the Texas Works conversions, MEPD staff will utilize the on-site support and TIERS mentors that will be located in each office to support the office conversions. These staff will be temporarily assigned and will include experienced policy staff and TIERS mentors.

MEPD has two timeliness standards that are determined by the client's age or the status of their disability determination. For individuals aged 65 years or older or individuals at any age who have already received their disability determination from the SSA, applications are considered timely if they are processed within 45 days after application. For applications made on behalf of individuals under age 65 who have not received their disability determination, the timeliness standard is 90 days. While there is not a formal federal standard to report to the Centers for Medicare and Medicaid Services (CMS), Texas applies the same criteria as the food stamp

program; which is that 95 percent of applications are processed within the established timeframes.

Post-conversion, processing times for applications for MEPD programs will be monitored in the same way food stamp timeliness is monitored.

Benchmark: Monitor post-conversion performance for any impact to MEPD client services.

Measure: If timeliness drops more than three percentage points below the office's average timeliness in the three months prior to conversion, a root cause analysis will be performed by the Independent Validation and Verification (IV&V) vendor to identify the factors contributing to the decline. HHSC will evaluate timeliness at 30, 60, and 90 days post-conversion. If TIERS performance or changes to the business processes associated with rolling out TIERS are identified by the IV&V vendor as a primary causal factor, then a remediation plan will be developed and any impact to future roll-out schedule will be assessed.

In addition to MEPD program benchmarks, HHSC will monitor the impact of the MEPD conversion on cases with associated food stamp cases. Approximately 78 percent of the MEPD cases with food stamps are SSI-only food stamp cases, and these are processed by the Central Benefit Services (CBS) unit rather than the local offices. Pre-conversion SAVERR timeliness for the unit will be reviewed to establish a post-conversion benchmark. The unit's timeliness will be monitored throughout the MEPD conversions.

Benchmark: Monitor post-conversion performance for any impact to client services.

Measure: If timeliness drops more than three percentage points below the unit's average timeliness in the three months prior to conversion, a root cause analysis will be performed by the Independent Validation and Verification (IV&V) vendor to identify the factors contributing to the decline. HHSC will evaluate timeliness on a monthly basis once the MEPD conversions begin. If TIERS performance or changes to the business processes associated with rolling out TIERS are identified by the IV&V vendor as a primary causal factor, then a remediation plan will be developed and any impact to future roll-out schedule will be assessed.

TIERS Hardware Capacity Planning

As noted in the State Auditor's Office follow-up TIERS audit report and the July update to the transition plan, additional hardware is needed to support caseload growth and the expansion of TIERS beyond the fiscal year 2009 conversion plan. There are two environments that are needed to support TIERS. The production environment is where client data resides and processing of cases is completed. The development and testing environment houses the reporting servers and allows for testing and refinement of new TIERS programming to occur outside the production environment.

The servers that currently support the TIERS application and operations are located in the Texas State Data Center (SDC) in San Angelo and the Network Security Operations Center in Austin.

The SDC environment operates under a co-location agreement with the Texas Data Center Services (DCS) contract, but it is not under the Team for Texas (TfT) managed services agreement of the DCS contract. Northrop Grumman operates the TIERS environments in these locations, as it has done since the inception of TIERS. Neither of these locations is adequate to house the additional hardware requirements for TIERS.

Based on projected needs and the timelines to complete the required location preparations, HHSC is working with DIR on plans to collocate the expanded production environment at the Austin Data Center (ADC) under the collocation provision of the DCS contract, and the development and testing environment at the Winters Data Center. HHSC will not use the TfT managed services component of the DCS for either of these; Northrop Grumman will continue to be responsible for operating the TIERS environments. When production is at ADC and development and testing is at the Winters Data Center, the San Angelo environment will be used as the business continuity back-up.

It is anticipated that approximately six months will be needed to prepare the locations; however, moving forward with these plans requires federal approval in order to secure federal matching funds. HHSC is finalizing negotiations with the Department of Information Resources (DIR) and TfT on the pricing and requirements for the build-out and ongoing monthly charges at the ADC. The timeline and expected costs for the Winters Data Center build-out is being finalized with the Texas Facilities Commission.

Within the next several weeks, HHSC will submit an Implementation Advance Planning Document Update (IAPDU) and the proposed contracts to request approval from FNS and CMS. The approval process will take at least 60 to 90 days for the ADC agreement.

Ongoing SAVERR Maintenance

The July update included a discussion on the increased SAVERR costs that will be incurred as a result of the delay in implementing TIERS statewide. As the mainframe that supports SAVERR ages, it has become increasingly more expensive to maintain and is at greater risk of failure. At the July 14, 2008, hearing of the Joint Committee on Oversight of the Health and Human Services Eligibility System, HHSC reported that the hardware costs for supporting the existing SAVERR mainframe environment in fiscal years 2009 through 2012 was expected to be \$64,668,340, while the hardware costs of the upgraded dual mainframe environment would be \$59,733,360 over the same period.

HHSC has worked with DIR and Team for Texas on a proposal to implement the dual mainframe options for SAVERR. The proposal was approved and work commenced on the project on October 1, 2008. The installation and cutover to the first mainframe is targeted for completion in January 2009, and completion of the project is anticipated by July 2009. The four-year hardware cost is now projected to be \$57,829,189. These costs may be further reduced as DIR benchmarks the costs of similar projects across the country, as allowed under the DCS contract.

RELATED ACTIVITIES

Procurement Strategy and Schedule

The U.S. Department of Agriculture, Food and Nutrition Service and the Centers for Medicare and Medicaid Services granted approval for HHSC to move forward with releasing the final Requests for Proposals (RFPs) for eligibility support services and document processing services.

Proposals for Document Processing Services were due on September 30, 2008, and proposals for Eligibility Support Services were due October 14, 2008. Tentative award announcements are anticipated on January 1, 2009. The current timelines for the two procurements are as follows:

	Document Processing Services	Eligibility Support Services
RFP Release Date	July 21, 2008	July 21, 2008
Vendor Conference	August 14, 2008	August 14, 2008
Vendor Questions Due	August 19, 2008	August 19, 2008
HHSC Responses to Vendor Questions Posted	September 3, 2008	September 3, 2008
Deadline for Withdrawal of Proposals	September 30, 2008	October 14, 2008
Vendor Proposals Due	September 30, 2008	October 14, 2008
Vendor Demonstrations/Oral Presentations	October 21-22, 2008	November 6-7, 2008
Tentative Award Announcement	January 2009	January 2009
External Review and Vendor Negotiations	January Through April 2009	January Through April 2009
Anticipated Contract Start Date	May 2009	May 2009
Anticipated Transitional Period	May Through December 2009	May Through December 2009

The TIERS Maintenance contract will be re-procured in spring 2009. A draft RFP was released on August 14, with comments due on September 18, 2008. An updated draft will be posted in December, and the final RFP will be released in April 2009 with a tentative contract award by late November 2009. The new contract is anticipated to begin on March 1, 2010.

TIERS Maintenance Procurement Timetable

Draft RFP Release Date	August 14, 2008
Comments to Draft Due	September 18, 2008
Reposting of Updated Draft RFP	December 16, 2008
RFP Release Date	April 9, 2009
Service Provider Conference	May 7, 2009
Service Provider Questions Due	May 15, 2009
HHSC Responses to Service Provider Questions Posted	May 27, 2009
Proposals Due	June 3, 2009
Deadline for Proposal Withdrawal	June 4, 2009
Respondent Demonstrations/Oral Presentations	September 16-22, 2009
Tentative Award Announcement	October 27, 2009
Anticipated Contract Start Date	March 1, 2010
Anticipated Transitional Period	March through August 2010

Application and Forms Redesign

The internal workgroup on the application redesign finalized changes to the combined application for the Medicaid, Children's Health Insurance, Food Stamp, and TANF programs in August. The draft is being reviewed to ensure appropriate literacy and readability levels. The application design will be posted on the HHSC website in early 2009 for stakeholder review and feedback. In addition, focus groups of clients and eligibility workers will also be asked to review the application to further inform the design process.

Various projects are being pursued that will maximize TIERS capabilities to help streamline the business process used to determine eligibility and process renewals. As was previously mentioned, plans include efforts to pre-populate key information for renewal forms for all programs (currently, only CHIP renewals are pre-populated). In addition, projects are underway to expand the current use of bar coding on forms, which will facilitate the association of renewal and other required forms to existing cases. Currently, this process requires vendor staff to confirm the association through a manual process. These upcoming improvements will eliminate this task and automate the linking of documents to existing cases in TIERS. SAVERR does not have the functionality to support pre-population of forms and bar coding, so the implementation of these changes is dependent upon TIERS' implementation statewide.

Local Office Telephone Systems

HHSC completed the replacement of phone systems in 26 local offices between March and July 2008, which support a total of 1,400 eligibility staff. Several of the remaining phone systems are

unable to support the high volume of calls coming in to the office, which can result in busy signals for callers or an inability to leave voice mail for eligibility staff. Due to the age of the systems, repairs are costly and dependent on the availability of refurbished parts. To respond to this need, HHSC has included an HHS enterprise-wide exceptional item request to maintain and improve critical technological systems in the LAR for the 2010-11 biennium. A portion of this request would be used to continue to replace aging phone systems in the local offices to help create a more reliable voice network and service delivery system.

ELIGIBILITY SYSTEM ACCOMPLISHMENTS

To date, HHSC has or is taking the following actions to meet the stated goals of H.B. 3575:

Increase the quality of and client access to services provided through the programs.

- Increased the number of state staff at the eligibility support services call center, including on-site tenured eligibility workers who provide real-time assistance and answer complicated policy questions.
- Implemented immediate escalation process that routes complex issues and pending case actions from call center staff to HHSC eligibility workers located in the call centers. This allows issues to be addressed by the eligibility worker during the call (or within 48 hours for more complex issues) without requiring the client to call back.
- Expanded TIERS training efforts to include more eligibility staff from outside the pilot area. This allows TIERS clients who are served by an office that has not yet converted to TIERS to receive services from staff in their local eligibility office rather than a remotely located Assistance Response Team (ART) worker.
- Completed upgrade to telephone systems in 26 of the largest and busiest offices in summer 2008.
- Implemented online payment of CHIP enrollment fees, by debit or credit card, through Texas Online in December 2007.
- Implemented a CHIP self-service Internet tool on November 1, 2008, that allows CHIP families to renew coverage and check the status of their renewal applications online.

Implement more efficient business processes that will reduce times for application for program benefits and reduce staff work load.

- Implemented changes to the TIERS Relationship screens, which reduced the data entry required by workers when entering family composition and relationship information in TIERS. Implementing improvements and reducing the number of screens a worker must view for recertification of benefits. Examining other usability improvements for future releases of TIERS.
- Installed dual computer monitors for all state staff in customer care centers. The dual monitors facilitate case review by allowing staff to view scanned application documentation and complete data entry at the same time.
- Requested and received approval from FNS to implement a six-month waiver that allows HHSC to temporarily extend certification periods for households with earned income and benefits under \$400 per month. This change reduces workload and the administrative burden associated with recertifying expiring cases.

- Implementing several usability features in TIERS, including a reduction in the number of screens a worker must use when conducting recertification of benefits.

Implement simplified application and enrollment processes for the programs in a manner that is consistent with program goals established by the Legislature.

- Revising the integrated application form to make it easier for clients to complete and for staff to determine eligibility.
- Beginning multiple projects to simplify the redetermination process, including pre-populating forms and expanded use of bar codes.