



**TEXAS**

Health and Human  
Services Commission

## **Integrated Eligibility and Enrollment System**

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Commissioner for Social Services

February 23, 2007

# Questions About IEE

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- How is eligibility currently performed?
- Why change the current eligibility process?
- What is Integrated Eligibility and Enrollment (IEE)?
- How did the IEE project get started?
- What is TIERS? How does it relate to IEE?
- What services are contracted for?
- What are the key contract provisions?
- What has been implemented?
- What problems have been encountered?
- What actions has the state taken in response?
- What are the next steps?
- How will state employees be affected?
- How will local offices be affected?

# How is eligibility currently performed?

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## **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)

# How is eligibility currently performed?

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- **CHIP**

- Since the inception of the CHIP program, CHIP eligibility has been determined by a private contractor
  - HHSC transition to a new CHIP contractor in Dec. 2005
- Children's Medicaid and CHIP have a single application form
  - State workers must determine eligibility for Medicaid
- Eligibility information is submitted by telephone, fax and mail

# How is eligibility currently performed?

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- **Adult Medicaid, TANF, Food Stamps**
  - A single application is used to apply for these programs
  - Requires contact with a designated eligibility office and state worker
    - Assigned to an office based on proximity
  - Case files are paper based

# How is eligibility currently performed?

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- **Long Term Care Eligibility**

- HHSC staff determine financial eligibility
- DADS is responsible for assessing program specific eligibility factors including age, residence, functional limitations, nursing facility risk, medical necessity, and unmet need. Based on this assessment appropriate services are authorized.
- Case files are paper based

# Why change the current eligibility process?

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## 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 such as natural disasters

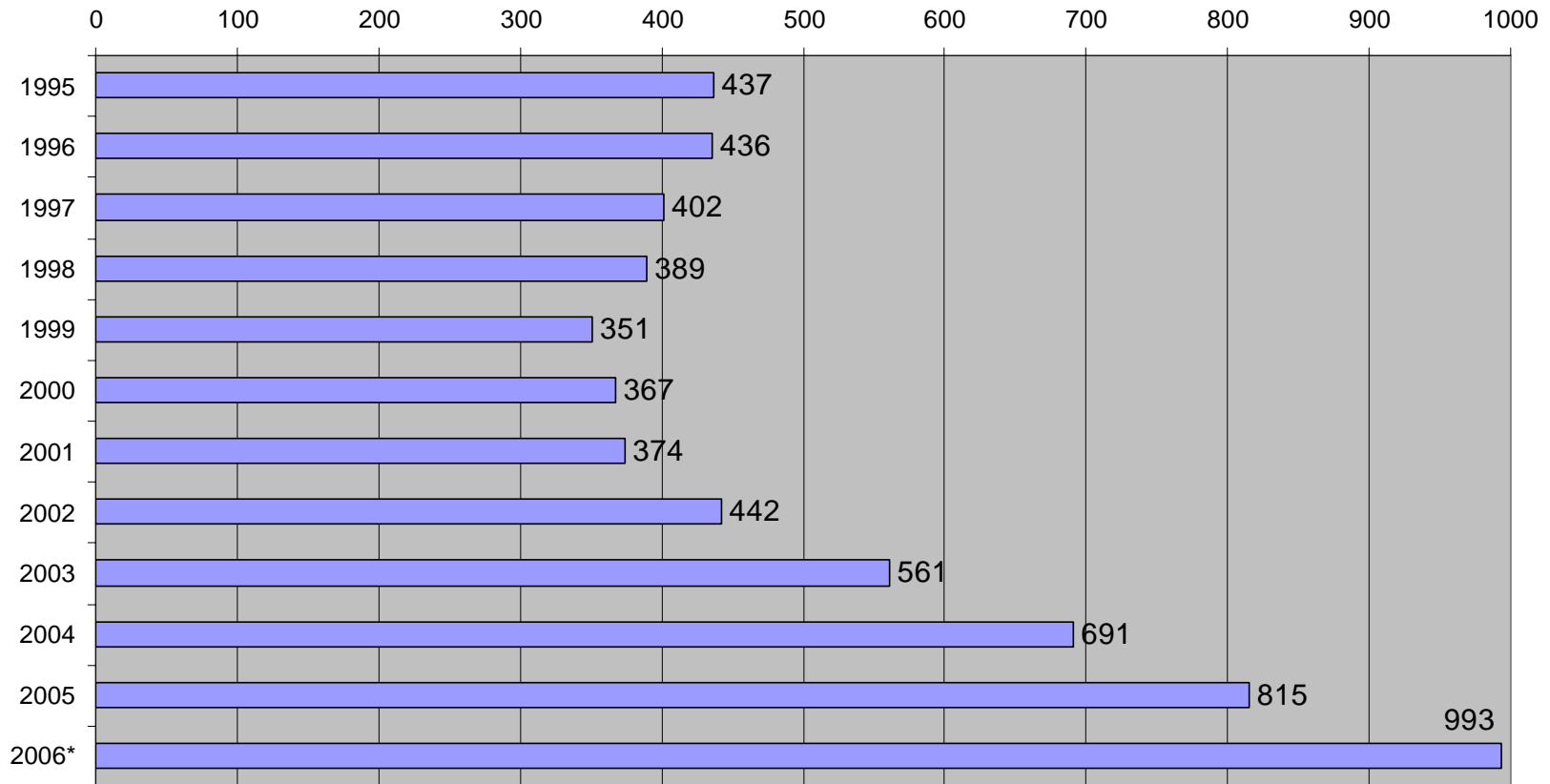
# Why change the current eligibility process?

- 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
  - In FY 1995 there were 12,487 annual average eligibility determination FTEs. In FY 2006 there were 5,975 annual average eligibility determination FTEs.
  - 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



# Why change the current eligibility process?

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



\* Projected for 2006

# Why change the current eligibility process?

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- Inconvenient for clients, who are tied to a specific office that is only accessible in person or by phone 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”

Integrated Eligibility and Enrollment is an initiative to modernize the eligibility system by:

- Replacing outdated technology
- Changing business processes
  - Creating electronic case records which allows:
    - Additional channels of access for clients
      - » Benefits can be accessed through local offices, fax, Internet, telephone or mail
      - » Clients no longer tied to a particular eligibility office
    - More efficient use of state resources by balancing workload
      - » Workload can be distributed around the state
      - » Provides additional flexibility during a disaster

HHSC is redesigning 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 will 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

# How did the IEE project get started?

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- 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

# What is TIERS? How does it relate to IEE?

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## **New Computer System -- TIERS**

- Established by the 76th 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 and was expanded to Williamson county in November 2006
- In February 2007, 51,468 foster care client records were converted and added to TIERS
- At a cost of about \$279 million, TIERS does more and costs less than similar systems in other large states

# What is TIERS?

## How does it relate to IEE?

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### **New Computer System -- TIERS**

TIERS is the new computer system that will allow the state to modernize the eligibility system and make access to services easier for clients.

- TIERS is a complex computer system designed to administer complex eligibility policies
  - Approximately 4.6 million lines of code
  - 320 system interfaces
  - 167 pieces of unique client correspondence
  - 223 distinct reports – State, Federal and Operational
- Eligibility and reporting requirements are always changing
  - 977 application changes implemented in FY 2006 impacting approximately 25% of TIERS application code

# What is TIERS?

## How does it relate to IEE?

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### **To date, TIERS:**

- Serves Texas Works and Long Term Care clients each month
  - Texas Works Clients: 220,993
  - Long Term Care Clients: 29,497
- Has successfully converted 678,296 clients from SAVERR to TIERS
- Has issued \$415,670,421 in client benefits (Food Stamp and TANF)



## **Contract includes previously outsourced responsibilities:**

- CHIP eligibility
- Medicaid and CHIP enrollment into a health plan (managed care enrollment broker services)
- Maintenance of the new automation system -- Texas Integrated Eligibility Redesign System (TIERS)

## What services are contracted for?

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- Contract includes new responsibilities:
  - Integrated eligibility services for Medicaid, Food Stamps, and TANF
- Contract awarded to Texas Access Alliance (TAA) in June 2005

# What are the key contract provisions?

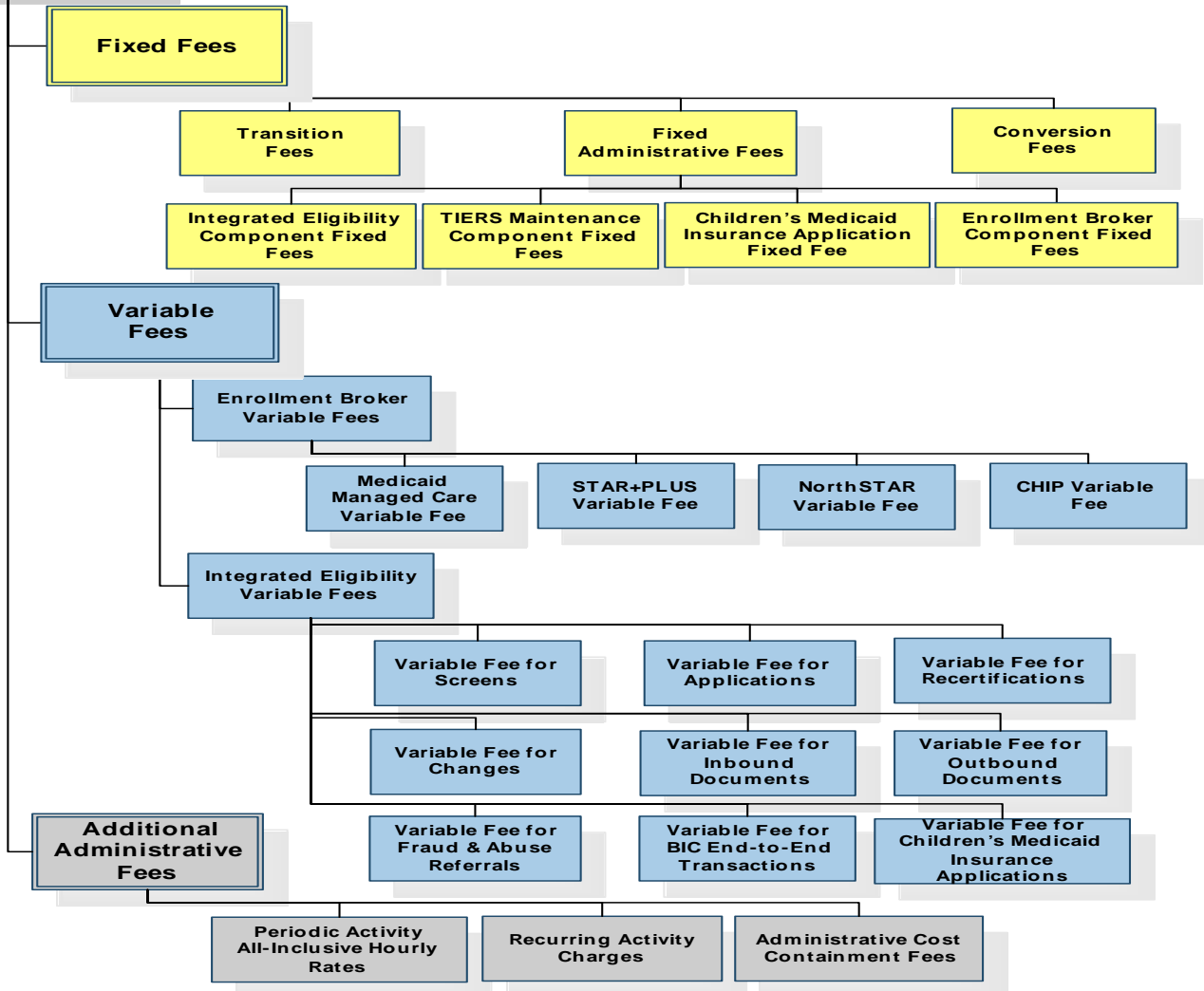
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Performance based contract includes requirements that emphasize customer service and ensure strong accountability for tax dollars

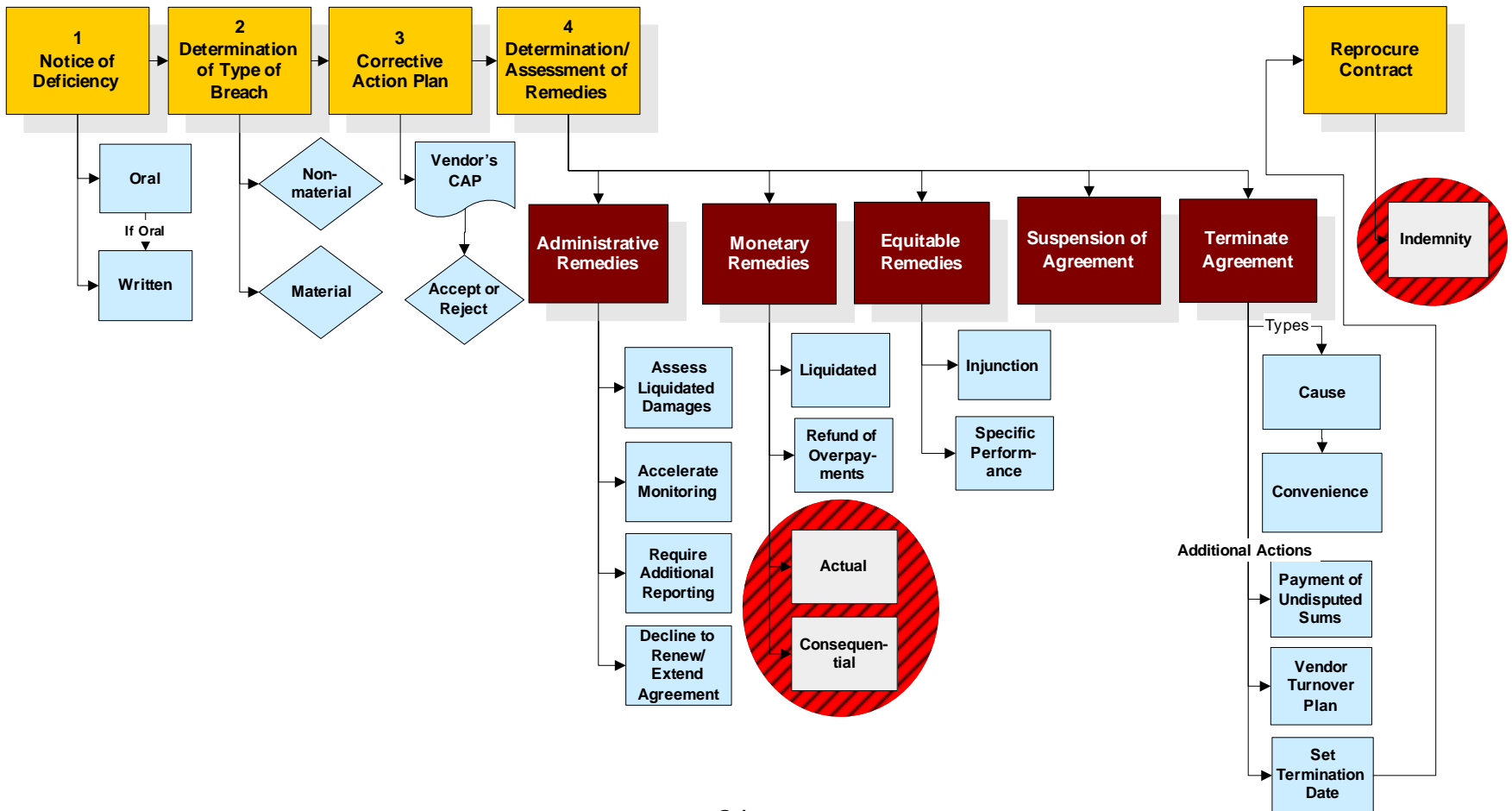
- Vendor performance is measured and monitored on the basis of:
  - State and Federal laws
  - Key Performance Requirements
  - Remedies, including Liquidated Damages, Consequential Damages, Pass-through of Federal Penalties
- Payment is based on:
  - Volume of work done
    - Vendor is not paid for work not performed
    - Payment is not conditioned on volume of denials
  - Ability to meet strict standards for timeliness and accuracy

# What are the key contract provisions?

## Integrated Eligibility & Enrollment Fees



# What are the key contract provisions?



# What has been implemented?

- Enrollment Broker – Assumed responsibilities from previous vendor 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
- New Eligibility System Pilot suspended in May 2006
  - State staff resumed all processing of TANF, Food Stamp and Medicaid cases
- November 2006 – Williamson County converted to TIERS and additional access channels made available to clients
  - *All other counties (251) are operating under the old state operated system*
- February 2007 – Foster Care Statewide Conversion – 51,468 clients added to TIERS

# What has been implemented?

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## **Texas has had favorable previous experience with the use of call centers for HHS programs**

- CHIP
- EBT
- Managed Care Enrollment
- Statewide Intake for Child Protective Services and Adult Protective Services
- Eligibility Changes

### **Integrated Eligibility Call Centers**

- Four call centers have been established

## Call Center Responsibilities

- **Midland** answers CHIP and Integrated Eligibility calls, receives and scans all incoming mail, and receives faxes.
- **Austin** answers CHIP and Enrollment Broker calls, performs data entry and creates case files, and does case research and eligibility review.
- **San Antonio** answers Integrated Eligibility calls, performs data entry and creates case files, and does eligibility review.
- **Athens** answers Enrollment Broker calls.



## **CHIP Performance Issues**

- Call handling – timeliness & accuracy
- Unnecessary requests for missing information
- Processing delays
- Insufficient time to pay enrollment fee
- Inadequate process for resolving more complex cases

# What problems have been encountered?

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## **IE Pilot Performance Issues**

- TAA had a backlog in the San Antonio case processing center due to its technology and staff performance issues
- As a result of the backlog and other issues, HHSC suspended the pilot in the fourth month of operation
- This change affected the workflow of 4 HHSC offices in the pilot area in Travis and Hays Counties
- State workers in these 4 pilot offices are responsible for completing cases start to finish
- The change did not affect cases from other areas of the state

# What problems have been encountered?

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## **IE Pilot Conclusions**

- The concept is sound and clients are eager for a more flexible eligibility system; contractor execution was flawed.
- The new system must efficiently support state workers and keep complex decision-making in the hands of trained, experienced state employees.
- The pilot has shown us that we need to redraw the line between the state and private sector to clarify that the private sector is there to provide a support role to state staff.

# What actions has the state taken in response?

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On December 21, 2006, HHSC announced a rebalancing in the roles of the state and the private sector

- Refocus Contract
  - Rebalance the roles of the state and vendor
  - Complete technology improvements, including integrating CHIP processing into TIERS
  - Re-launch Central Texas pilot when system improvements are ready
  - Reduce the contract by \$358 million

# What actions has the state taken in response?

## Rebalanced Contract

Components	Original Contract Amount June 30, 2005	Projected Re-Balanced Amount January 26, 2007	Variance
Enrollment Broker Services (Medicaid Enrollment and CHIP Enrollment Services)	\$ 128,874,750	\$ 127,774,562	\$ (1,100,188)
TIERS Maintenance	\$ 187,035,165	\$ 184,341,199	\$ (2,693,966)
Children's Health Insurance Eligibility Determination, Call Center Intake, Operations & Processing)	\$ 126,557,645	\$ 50,387,658	\$ (76,169,987)
Call Center Intake & Operations	\$ 338,738,076	\$ 132,828,939	\$ (205,909,137)
IE Eligibility Processing	\$ 117,734,240	\$ 45,351,418	\$ (72,382,822)
<b>Totals</b>	<b>\$ 898,939,876</b>	<b>\$ 540,683,776</b>	<b>\$ (358,256,100)</b>

# What actions has the state taken in response?

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## **Contractor Accountability**

- Adjust payments and fees to reflect the reduced role of the vendor
- Recover \$30 million in state costs through service credits and discounts
- Modify the key performance measures required under the contract

## What are the next steps?

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### **Improve CHIP performance**

- Change CHIP management
- Transfer the client appeal process to the state
- Improve tracking of client correspondence

# What are the next steps?

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## **Modernize Technology**

- Continue to convert cases to the state's new computer system (TIERS)
- Provide consumers with more ways to apply for services
- Retire the state's current computer system



# How will state employees be affected?

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## State Workforce

- No state staff have been let go due to implementation of IE and no reductions in force are anticipated
- 900 temporary positions in eligibility offices have been strategically converted to regular-status positions
- Centralized state staff units will be used to relieve workload in field offices

# How will local offices be affected?

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## Local Offices

- The current 311 eligibility offices will continue to serve clients
  - No HHSC eligibility offices will be closed due to the roll out of TIERS during the upcoming biennium

- 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.
- We are working to both improve the performance of the new eligibility system and ensure that the contractor is held accountable.
- We will not restart the pilot if we are not absolutely confident that we're ready.
- We have learned a lot from the Travis and Hays Counties pilot and have applied those lessons to the redesign of the new IE system. Structural changes will occur before we re-launch the pilot.