House Bill 3575
Legislative Oversight Committee
Eligibility System Update

July 14, 2008

- In February, at the last Legislative Oversight Committee hearing, HHSC reported a gap between timeliness of cases processed in TIERS and cases processed in SAVERR.

- To address the gap, HHSC implemented several initiatives, including:
    - Accelerated Training Schedules
    - Staffing Stabilization
    - Policy Changes
    - TIERS Enhancements

- HHSC has increased the number of TIERS trained staff throughout the state.
  - From January through May 2008, a total of 1,463 eligibility staff completed the initial TIERS user training.
  - During this timeframe, an additional 1,786 eligibility staff have completed TIERS-associated trainings, which cover the more advanced functionalities of the system.

- The number of workers disposing cases in TIERS has increased significantly as a result of this training.
  - In January 2008, 748 eligibility workers disposed a Food Stamp case in TIERS.
  - In June, 1,914 eligibility workers disposed a Food Stamp case in TIERS, an increase of 1,166 workers.

- Eligibility staffing has grown from 6,343 in September 2007 to 7,027 in June 2008 - a net gain of 684 eligibility staff.

- Gains in staffing levels have resulted from the implementation of an enhanced compensation plan for eligibility staff announced at the February hearing of the Legislative Oversight Committee. The plan went into effect on June 1, 2008.

- Despite the net increase in staffing levels, turnover continues to be an issue.

  - Turnover rates have reduced slightly between fiscal year 2007 and fiscal year 2008.

  - Statewide turnover rate for fiscal year to date in 2008 is at 20.9 percent compared to 22.3 percent in fiscal year 2007.

  - Most regions are experiencing lower turnover.

Turnover by Region

Region	FY 2006	FY 2007	FY 2008 YTD*
Lubbock	32.3%	21.1%	19.6%
Abilene/Midland	31.4%	22.2%	20.9%
Dallas/Fort Worth Metroplex	37.1%	24.9%	21.2%
Tyler	40.9%	24.1%	20.4%
Beaumont	34.2%	28.6%	30.0%
Houston	27.5%	28.6%	24.4%
Austin	43.2%	23.7%	21.6%
San Antonio	27.9%	18.3%	26.4%
El Paso	15.3%	10.4%	13.6%
Rio Grande Valley	21.5%	14.8%	11.6%
Totals	**31.1%**	**22.3%**	**20.9%**

*FY 2008 year-to-date rates are determined by annualizing the number of losses through the 3rd Quarter.

Turnover by Job Category

Turnover trends by eligibility job title show the impact of the compensation enhancement plan.

Job Title	FY 2006	FY 2007	1st Quarter (Sept – Nov) FY 2008	2nd Quarter (Dec – Feb) FY 2008	3rd Quarter (March – May) FY 2008	FY 2008 YTD*
Clerks	38.30%	23.50%	21.80%	24.30%	15.90%	20.50%
Eligibility Workers	28.80%	22.20%	26.20%	21.70%	18.90%	22.20%
Supervisors	23.50%	8.20%	8.40%	4.00%	8.20%	6.90%

Temporary Policy Change

- Extended the certification period from six to twelve months for households that were formerly streamlined reporting households with six month certification periods.
- Waive the requirement to limit the certification period to six months for cases with earned income.
- Requires households to report changes.

Benefits

- These households are 45 percent of the total food stamp caseload, and 75 percent of monthly recertifications due in the local office.
- Reducing this workload temporarily will provide relief while staff are being hired, trained, and gain proficiency.

TIERS Enhancements

HHSC has been planning for and implementing enhancements designed to further improve TIERS. HHSC has established an ongoing TIERS review process that includes feedback from eligibility staff. This review process is focused on continuous quality improvements to the efficiency and effectiveness of TIERS.

HHSC initiated a TIERS usability study in November 2007 to improve the application and recertification processes that eligibility staff complete in TIERS.

– Workers of all experience levels were interviewed and observed to ensure that opinions were gathered from a representative cross section of TIERS users in terms of tenure, location, and role.

– Interviews helped identify potential enhancements.

– Workers were observed as they held client interviews, entered case information, and performed various processes in TIERS.

– A total of 34 enhancements were recommended for development and will be deployed over several future releases of the TIERS application.

Some of the enhancements planned for release in fall 2008 include:

– Streamlining the data entry process for recertifications to give users the ability to go directly to the data entry areas that need updating.

– Improvements to the design and layout of frequently used screens and navigation buttons.

– Displaying data in reverse chronological order on some of the pages used most often. This change will allow the user to view the most recent information without having to scroll to the bottom of the page.

TEXAS Health and Human Services System

HHSC has also made changes to the screens in TIERS where relationships of the various household members are established. Workers frequently identified these screens as an area for improvement.

- Prior to changes, the relationship screen required the worker to enter detailed information about each client and their relationship(s) to each other. This was a time-consuming process for workers if there were numerous clients within a case.

The redesigned relationship screens were implemented in early June 2008.

- The changes make it less confusing, faster, and easier to add and edit relationship information for cases in TIERS.
- The most significant change to the TIERS relationship screen is the ability to add or edit relationship information for multiple individuals on the case all at once.

The usability study and resulting TIERS improvements have led to the introduction of web-based seminars to highlight the enhancements to the eligibility staff.

- Changes have received excellent feedback from staff.
- HHSC is providing additional on-site technology support staff, as well as program mentors and coaches to expand and enhance TIERS classroom training for eligibility staff.

Statewide Food Stamp Application Timeliness

Statewide Percentage of Food Stamp Applications Completed within Established Timeframes
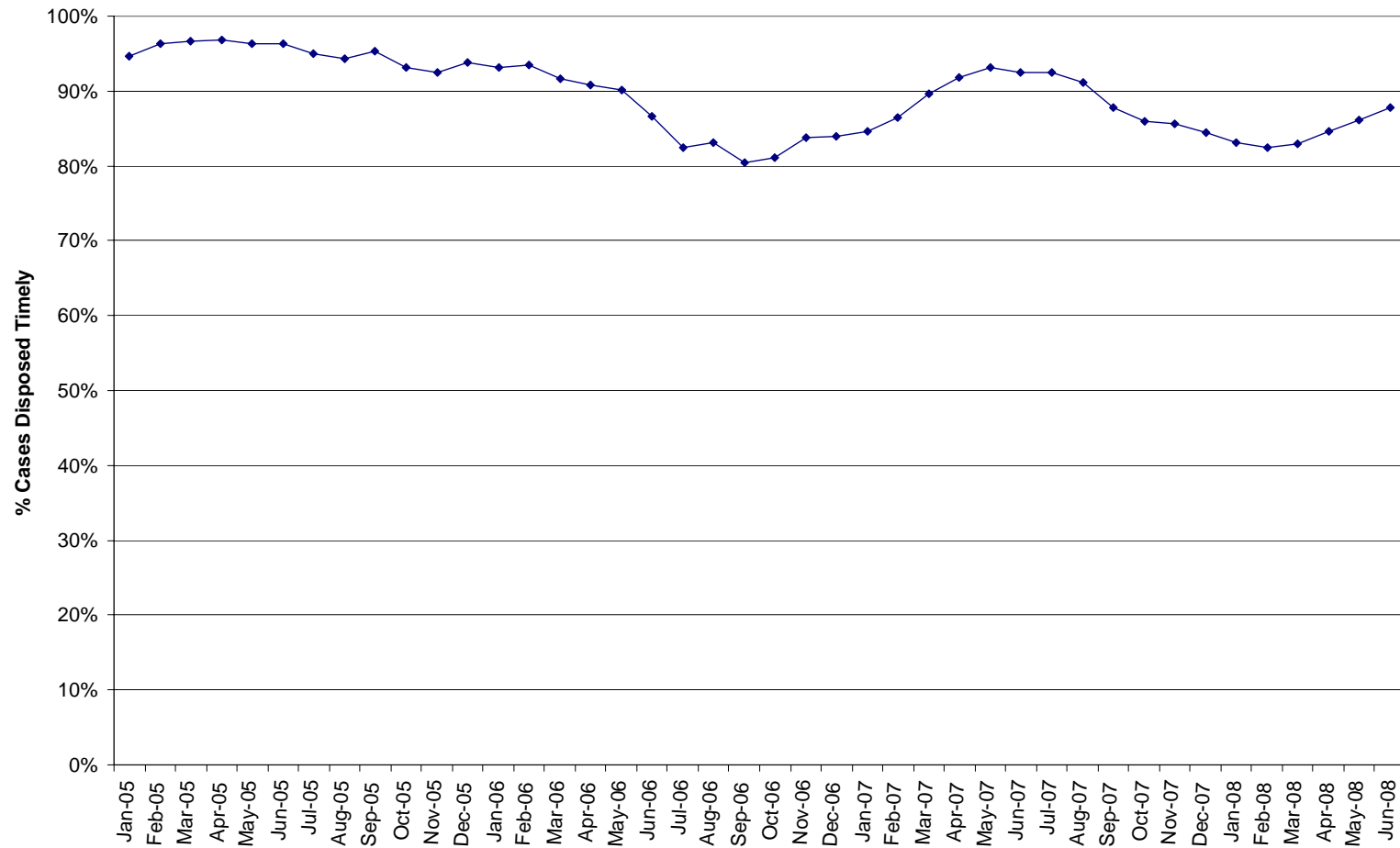
The focus on training has contributed to significant improvements in timeliness for cases processed in TIERS.

- In June 2008, 71.2 percent of food stamp applications processed in TIERS were completed within established timeframes. This is an increase from December 2007 when 47.5 percent of applications processed in TIERS were completed within established timeframes.

- In June 2008, food stamp recertifications processed in TIERS were completed timely 82.2 percent of the time. Recertifications processed in TIERS in December 2007 were completed within established timeframes 74.5 percent of the time.

Statewide Food Stamp Application Timeliness

Number of Food Stamp Applications Completed within Established Timeframes

Legend: Statewide SAVERR, Statewide TIERS
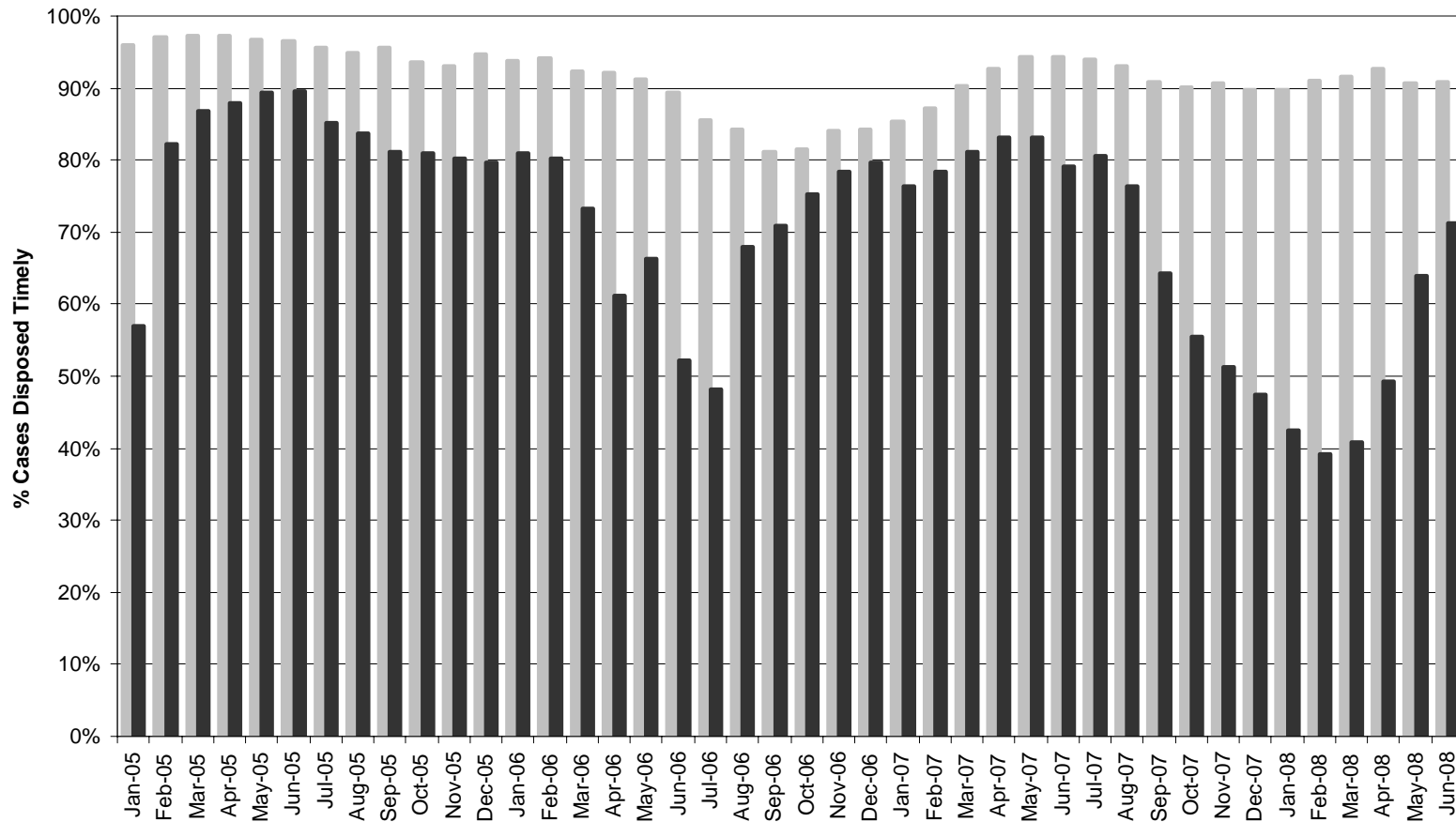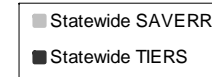
HHSC received authorization from the U.S. Department of Agriculture's Food and Nutrition Service (FNS) to geographically roll-out TIERS to up to 22% of the food stamp caseload.

In granting approval, FNS noted that "extending TIERS to more cases could improve application processing efficiency by reducing the need to train workers in the same office in dual systems." FNS also recognized that allowing more cases to be in TIERS would allow more work to be more effectively distributed among workers across the State.

HHSC discussed options with FNS. They approved the following approach:

- Incremental roll-outs to complete conversion of Region 7
  - 31 additional offices
  - Less than 39,000 active Food Stamp cases
  - Less than 80,000 total active Texas Works (TANF, Food Stamp and Medicaid) cases
- Incremental roll-outs to Region 10 (El Paso Region) would follow Region 7
  - 11 offices
  - Approximately 53,000 active Food Stamp cases
  - Approximately 109,000 active Texas Works cases
- Incremental roll-outs to Region 1 (Lubbock Region) would follow Region 10
  - 21 offices
  - Less than 29,000 active Food Stamp cases
  - Less than 65,000 active Texas Works cases
- Roll-outs to the three regions are targeted to be completed in FY 2009

Original proposal submitted to FNS had roll-outs beginning in July 2008. HHSC has modified this proposal, and is currently in discussions with FNS about the proposed change.

Revised proposal would begin roll-outs in October 2008.

Roll-out readiness will be informed by benchmark performance and other readiness criteria.

- Pre-conversion benchmarks and readiness criteria are designed to measure TIERS, local office, and call center readiness for conversion.
- Post-conversion benchmark is designed to measure any potential client impact.

Benchmark status will be shared with LOC members.

Region 7 Proposed Roll-out (Central Texas)

October 2008 – Approximately 9,000 SAVERR Cases

La Grange	Bastrop	San Saba
Hamilton	Elgin	Lampasas
Llano	Marble Falls	Goldthwaite

November 2008 – Approximately 19,500 SAVERR Cases

Temple	Killeen	Copperas Cove
Gatesville		

January 2009 – Approximately 22,500 SAVERR Cases

Bryan	Centerville	Madisonville
Navasota	Giddings	Hearne
Caldwell	Brenham	Rockdale
Marlin	Cameron	

February 2009 – Approximately 29,000 SAVERR Cases

Waco	Hillsboro	Meridian
Mexia	Teague	Luling
Lockhart		

TIERS Program Expansions

Conversion of cases for Medicaid for the Elderly and People with Disabilities (MEPD) will be accomplished in four phases. HHSC will apply the same conversion and post-conversion benchmarks as listed for the TIERS geographic roll-out.

December 2008 – Approximately 13,000 cases
This will convert MEPD cases currently in SAVERR for clients with existing Medicaid, food stamp, and/or TANF cases already in TIERS. This will not add new Medicaid, food stamp, and TANF cases to TIERS.

March 2009 – Approximately 300,000 cases
This will convert SAVERR cases to TIERS for MEPD clients that do not receive Supplemental Security Income (SSI).

June 2009 and September 2009 – Approximately 320,000 cases for each conversion
This will convert SAVERR cases to TIERS for the remaining MEPD clients that do receive SSI.

In mid-2009, HHSC will add the functionality needed in TIERS to determine CHIP eligibility.
– Since the implementation of CHIP, HHSC has relied on a vendor and a vendor-owned system for processing CHIP eligibility.
– Nearly 40 percent of CHIP families receive other benefits, such as Medicaid or food stamps. Allowing one state worker to process all of these cases will be more efficient for the family and the state.
– In addition, bringing CHIP processing under the state's system will give HHSC more options when it comes to the structure of the eligibility contracts and will avoid increased costs when transitioning from one vendor to another.
– HHSC does not have a projected date to begin processing CHIP applications and renewals in TIERS.

Pre-Conversion Benchmarks

Benchmarks to Determine Readiness for Conversion	Measure
Adequacy of staff trained in TIERS and available to process cases	500 cases per TIERS trained worker
Capacity of on-site support to assist the office	minimum of 1 per office / 1 on-site support worker for every 30 eligibility workers
Capacity of TIERS mentors to assist the office	minimum of 1 per office / 1 TIERS mentor for every 30 eligibility workers
Availability of Assistance Response Team (ART) staff to assist with conversion corrections (As evidenced by prior conversions, a proportion of cases will require manual processing and/or correction. SAVERR continues to issue benefits until the case is successfully converted into TIERS.)	1 ART staff per 2,500 cases converted
Stable and appropriate call center performance measures	Call abandonment rate of 10% or less for 4 of the 6 weeks prior to conversion / Average Speed to Answer of 180 seconds or less for 4 of the 6 weeks prior to conversion
Appropriate and stable TIERS server utilization levels (lower levels ensure better system performance)	Server utilization at or below 80% during business hours in the month prior to conversion
Appropriate and stable TIERS transaction response times (the most commonly used transactions are monitored to ensure better performance)	In the month prior to conversion, inquiry/query transactions are completed within 4 or fewer seconds; and update/save transactions are completed in 5 or fewer seconds
Consistent TIERS system uptime (to ensure availability of the system during business hours)	In the month prior to conversion, the system is available a minimum of 99% during business hours

Post-Conversion Benchmark

Benchmarks to Assess Post Conversion Performance	Proposed Measure
Monitor Post-Conversion Performance	If timeliness drops more than 3 percentage points below the office's average timeliness in the 3 months prior to conversion, HHSC will have a root cause analysis performed by the Independent Validation and Verification (IV&V) vendor to identify the factors contributing to the decline. Timeliness will be evaluated at 30, 60, and 90 days post-conversion. If performance of the TIERS system 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.

Ongoing SAVERR Maintenance

Delayed statewide implementation of TIERS has resulted in additional costs to maintain SAVERR.

The FY 2008-2009 budget assumed that SAVERR would be fully retired by August 2009 and expenses would be reduced.

HHSC will require an additional $19.5 million all funds ($11.9 general revenue) for fiscal year 2009 to adequately support SAVERR.

- Costs include a mitigation strategy that adds a dual mainframe structure to ensure that there will not be an interruption of the delivery of client benefits through SAVERR until it is decommissioned.
- Strategy requires the purchase of additional hardware, however, the dual mainframe option is less costly than maintaining a single mainframe.

SAVERR must be maintained and supported until six months after all cases are converted into TIERS.

Due to the high level of risk involved in maintaining the current mainframe, the Department of Information Resources indicated costs would be approximately $9.2 million higher over a four year period (2009 through 2012) than the dual mainframe option.

The mainframe that supports SAVERR is several decades old.

- Only seven of these mainframes are operating worldwide and four of these will be decommissioned by the end of 2008.
- Obtaining replacement parts and support becomes increasingly difficult and costly the longer SAVERR is in operation.

The dual mainframe provides a more stable operating environment for SAVERR and reduces the risk of a catastrophic failure (a failure of the current mainframe would bring eligibility and benefit issuances to a halt for the millions of clients with cases in SAVERR).

	2008	2009	2 Year Cost
Unisys MIPS	$ 13,624,000	$ 3,211,000	$ 16,835,000
Unisys DASD	$ 1,449,000	$ 298,000	$ 1,747,000
Application Tapes in Storage - VTS	$ 1,600,000	$ 1,329,000	$ 2,929,000
Offsite Tape Cost	$ 4,000	$ 4,000	$ 8,000
DIR Cost Recovery Fee 2.95%	$ 492,000	$ 143,000	$ 635,000
Hardware Subtotal	**$ 17,169,000**	**$ 4,985,000**	**$ 22,154,000**
SAVERR staffing	$ 3,038,334	$ 3,038,334	$ 6,076,668
Local Area Network Hardware Support	$ 1,493,710	$ 1,493,710	$ 2,987,420
Total	**$ 21,701,044**	**$ 9,517,044**	**$ 31,218,088**
SAVERR Shutdown		**$ 3,000,000**	**$ 3,000,000**

* (to the left of Hardware Subtotal row)

*SAVERR is only a share of the mainframe; each user's share is based on monthly usage which varies. SAVERR's share continues to increase as other applications migrate off the mainframe.

Original Assumptions for FY 2009

– TIERS would be fully rolled out by February/March 2009.

– Other applications would also be migrated off the mainframe.

– Planned decommission by August 2009.

Dual Mainframe Pricing

Current Mainframe Extended June	2009	2010	2011	2012	4 Year Cost
Unisys MIPS	$ 13,611,000	$ 13,611,000	$ 13,611,000	$ 13,611,000	$ 54,444,000
Unisys Fixed Fee					$ -
Unisys DASD	$ 298,000	$ 298,000	$ 298,000	$ 298,000	$ 1,192,000
Application Tapes in Storage	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 6,400,000
Offsite Tape	$ 4,270	$ 4,070	$ 4,000	$ 4,000	$ 16,340
DIR Cost Recovery Fee 2.95%	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 1,800,000
Economic Adjustment 3%	$ 204,000	$ 204,000	$ 204,000	$ 204,000	$ 816,000
Hardware Subtotal	**$ 16,167,270**	**$ 16,167,070**	**$ 16,167,000**	**$ 16,167,000**	**$ 64,668,340**
Mainframe Mitigation Staffing	$ 8,752,000				$ 8,752,000
SAVERR Shutdown				$ 4,900,000	$ 4,900,000
SAVERR staffing	$ 3,038,334	$ 3,038,334	$ 3,038,334	$ 3,038,334	$ 12,153,336
Local Area Network Hardware Support	$ 1,493,710	$ 1,493,710	$ 1,493,710	$ 1,493,710	$ 5,974,840
Total	**$ 29,451,314**	**$ 20,699,114**	**$ 20,699,044**	**$ 25,599,044**	**$ 96,448,516**

Dual Mainframe	2009	2010	2011	2012	4 Year Cost
Transition	$ 4,168,706				$ 4,168,706
Unisys MIPS	$ 8,642,679	$ 7,913,747	$ 6,637,813	$ 6,637,813	$ 29,832,052
Unisys DASD	$ 3,283,404	$ 3,006,479	$ 2,521,744	$ 2,521,744	$ 11,333,371
Application Tapes in Storage - VTS	$ 3,675,385	$ 3,365,399	$ 2,822,796	$ 2,822,796	$ 12,686,376
Offsite Tape Cost	$ 345	$ 295	$ 287	$ 287	$ 1,214
DIR Cost Recovery Fee 2.95%	$ 583,230	$ 421,435	$ 353,488	$ 353,488	$ 1,711,641
Hardware Subtotal	**$ 20,353,749**	**$ 14,707,355**	**$ 12,336,128**	**$ 12,336,128**	**$ 59,733,360**
Mainframe Migration Staffing	$ 4,500,000				$ 4,500,000
SAVERR Shutdown				$ 4,900,000	$ 4,900,000
SAVERR staffing	$ 3,038,334	$ 3,038,334	$ 3,038,334	$ 3,038,334	$ 12,153,336
Local Area Network Hardware Support	$ 1,493,710	$ 1,493,710	$ 1,493,710	$ 1,493,710	$ 5,974,840
Total	**$ 29,385,793**	**$ 19,239,399**	**$ 16,868,172**	**$ 21,768,172**	**$ 87,261,536**
Termination Fee	$ 6,736,599	$ 3,581,166	$ 551,768	$ -	

Advantages of Dual Mainframe Option

- On-demand flexibility in mainframe performance to meet peak processing needs.

- Migrates tape-based data from aging tape cartridges to a virtual tape system, which increases data protection, meets business retention policies, and reduces the amount of backups performed to physical tapes and offsite storage.

- Separates production from development environments, resolving recent security audit findings.

- Increases bandwidth to accommodate the expanding need for transferring data electronically.

- Better alignment with current vendor knowledge, skills, and abilities to improve support.

- Provides a disaster recovery solution with a 72-hour return to service.

Stable performance in the newly converted offices will be the basis for HHSC moving forward beyond the initial 22 percent conversion approved by FNS.

- **TIERS Hardware Capacity**
- **Training Capacity**
- **Vendor Capacity**
- **On-site Support**

TIERS Hardware Capacity

HHSC will need to acquire additional hardware to support the statewide rollout of TIERS. The facility that currently houses the servers that support the TIERS database cannot accommodate the additional space that is required on a timetable that meets HHSC's needs.

HHSC considered several other options for acquiring the physical space needed:
- Austin Data Center – cost for needed improvements to the facility is estimated at $18.6 million over four years and would take approximately ten months to complete.
- Austin Disaster Recovery Operations Center (ADROC) – facility would need improvements to support TIERS and current systems in the facility would need to be moved to accommodate TIERS. Other systems have timeline requirements that do not synch with HHSC needs.
- Winters Data Center – facility has available floor space but requires improvements to support TIERS and to address security concerns raised by the State Auditor's Office for systems already in the Winters Data Center. The cost estimate is $12.3 million over four years and will take seven months to complete.

HHSC selected the Winters Data Center as the best solution.
- The Department of Information Resources (DIR) supports HHSC in making the best decision regarding the location of the hardware, given the framework HHSC is operating within and the factors that must be assessed (time, cost, availability, complexity).
- DIR has not raised any concerns over HHSC's selection of the Winters Data Center other than suggesting that HHSC address the need for adequate security controls raised by the SAO.

Quality Assurance Team

- **H.B. 3575 identified the Enhanced Eligibility System as a major information resources project.**

- **On June 27, 2008, HHSC submitted documents relevant to the Business Justification Review Gate of the project delivery framework for QAT.**

- **HHSC has defined the project scope for the enhanced eligibility system to include the following areas:**

  - TIERS and Eligibility Supporting Technology
    - Self Service Portal
    - State Portal
    - Task List Manager
    - CHIP into TIERS
    - TIERS Training

  - SAVERR
    - SAVERR Conversion

  - Telephony
    - Voice over Internet Protocol (VoIP)

- Approval from HHSC's federal funding partners was needed to move forward with releasing the final Requests for Proposals (RFPs) for Eligibility Support Services and Document Processing Services.

- HHSC resubmitted revised RFPs to the Food and Nutrition Service (FNS).

- HHSC received FNS approval on June 30, 2008.

- A revised procurement timeline has not yet been finalized.

Upcoming Procurements

Eligibility Support Services

Using technology supplied by HHSC, the vendor will support eligibility determinations for CHIP and other health and human services programs, provide staff to operate call centers, and provide staff to perform support functions for state eligibility workers such as associating applications and other client documents, and scheduling/rescheduling eligibility appointments.

Issue final request for proposals   To be determined

Tentative Contract award   150 days after the RFP is released

External review of contract   90 days after tentative award

Document Processing Center

Using technology supplied by HHSC, the vendor will manage inbound documents received through the mail from applicants and existing clients, including verification documents, applications, requests for recertification, and other client documentation. The vendor staff will scan documents and save as electronic images HHSC systems for online access and viewing.

Issue final request for proposals   To be determined

Tentative Contract award   150 days after the RFP is released

External review of contract   90 days after tentative award