House Bill 3575
Legislative Oversight Committee
Eligibility System Update

February 19, 2008

Texas has an integrated system designed to determine eligibility for services including:

- Medicaid – including Women's Health Program and Foster Care and Adoption Managed Care

- Food Stamps

- Children's Health Insurance Program

- Temporary Assistance for Needy Families

- Long-term care for the elderly and people with disabilities

Recent Developments in the Eligibility System

Beginning in 1997:

- 75th Texas Legislature passes legislation directing changes to begin integrating eligibility determination and streamlining service delivery processes for multiple health, human services, and workforce programs.

June 1999:

- 76th Texas Legislature authorizes and funds the development of information technology and automated data processing system titled the Texas Integrated Eligibility Redesign System (TIERS) to replace multiple outdated client eligibility determination systems including the 25 year old SAVERR system.

June 2003:

- H.B. 2292 directs HHSC to establish call centers if cost effective; Legislation also directs HHSC to outsource call centers unless not cost effective.
- The directive to change business processes requires a substantial redesign of TIERS, which was already in pilot in Travis and Hays counties.
- Eligibility Services appropriation for the 2004-2005 biennium reduced by $42.5M all funds and 901 FTEs.

August 2004 – May 2005:

- HHSC conducts competitive procurement activities for call center operations, CHIP processing and eligibility determination, maintenance of the TIERS computer system, enrollment broker services, and moving some eligibility processing work currently performed by state eligibility workers to the private sector while ensuring eligibility determination is conducted by skilled state staff.

June – September 2005:

- Eligibility Services appropriations for FY 2006-2007 reduced by $140 M all funds and 3,980 FTEs. A reduction 3,151 FTEs was designated for FY 2007.

- Eligibility services staff are notified of future business model changes and the planned reduction in force; only 2,600 could be offered a job in the new eligibility system.

- Legislature authorizes several new programs: Women's Health Waiver, Managed Care for Foster and Adopted Children; Integrated Care Management, CHIP Perinate Program.

- HHSC anticipates the statewide rollout of TIERS and retirement of SAVERR will occur before implementation of the new programs.

- Decision is made to re-program TIERS to accommodate the new programs.

November – December 2005:

- Children's Health Insurance Program, Enrollment Broker, and TIERS contracts are transferred to the Texas Access Alliance (TAA).

January – March 2006:

- The integrated eligibility and enrollment services (IE) *pilot* begins in Travis and Hays counties and expands client access to eligibility services through offices, 2-1-1 (phone), internet, fax, and mail channels.

April – May 2006:

- HHSC delays further IE implementation pending technology and operational performance improvements.
- Following 30-day review HHSC suspends the IE pilot and state reassumes critical functions.
- HHSC seeks and receives approval from state leadership to transfer general revenue funds to increase the authorized FTE level and to not implement reduction in force or close local eligibility offices.

November 2006:

- Williamson County cases successfully convert from SAVERR into TIERS.

January – February 2007:

- Action to stabilize state staff taken that converted 900 temporary staff to regular status positions; upgraded supervisor staff; and paid 2nd phase of retention bonus program to eligible state staff.
- Women's Health Initiative implemented in TIERS and Foster Care cases converted into TIERS.

March 2007:

- HHSC and TAA agree to wind down contract after failing to agree on costs and service levels for a re-balanced model.

April – May 2007:

- To avoid an interruption of services to HHSC clients and applicants, HHSC and MAXIMUS execute agreements on an emergency basis to replace services that were previously the responsibility of TAA, for:
  - Enrollment Broker services,
  - Eligibility Support services, and
  - CHIP automated systems and to operate CHIP.

June – July 2007:

- To avoid an interruption or disruption in technology and automated data processing services for Eligibility Services:
  - HHSC amends Deloitte contract to provide resources and support for enhancements and maintenance of TIERS.
  - TIERS development, maintenance and operations transitions from TAA to HHSC.

Two eligibility systems are currently operating.

Statewide System ("legacy"):

- Front-line client interaction either face-to-face or by telephone in locations across the state.
- Supported by **SAVERR** and local office LAN and mainframe technology.
- Is largely paper-based and ties a client to a local office.
- Clients are assigned to specific offices and caseworkers.

New Eligibility System:

- Implemented in Travis, Hays, and Williamson counties.
- Clients have multiple access channels including telephone, internet, mail, fax and network of local eligibility offices.
- Supported by **TIERS** and internet accessible technology.

Maintaining two systems that support the eligibility process places operational stresses on clients and staff:

- System changes are required in both systems.

- Training must be developed and delivered to support both systems.

- Scheduling TIERS clients in offices outside the TIERS pilot area requires staff to be proficient in both systems.

  – The population in TIERS is growing, and TIERS cases are diffused throughout the state.

- Difficulty in hiring programmers skilled in the antiquated computer language, COBOL, needed to sustain SAVERR.

- Local offices are impacted by frequent hardware failures due to the age of the equipment supporting SAVERR; during FY 2007, SAVERR was not available to eligibility staff for more than 2,600 hours cumulatively.

TIERS

TIERS:

- Tests a client's eligibility for all programs.
- Shares client information across benefit programs avoiding duplicate data entry.
- Records are electronically imaged and stored, giving ready access to client information from anywhere in the state.
- Eligibility staff have access to "real time" case information.
- TIERS web-based tools and electronic records allows workload to be more evenly distributed across the state.
- Helps to reduce fraud:
  - Identifies multiple applications for the same client.
  - Prevents multiple benefits being issued for same client for same programs.
- "Rules engine" drives benefit determination:
  - TIERS requires more rigorous data collection to ensure consistent application of rules.
  - Ensures client receives all benefits he or she is eligible for.

The State Auditor's Office concluded in an October 2007 report that TIERS correctly determines if someone qualifies for benefits and correctly calculates benefits.

HHSC's Management Response notes:

- HHSC had identified several issues and made improvements in early 2005 to improve efficiency and increase the integrity of the information in the database.

- TIERS is a scalable system, which allows HHSC to add capacity as it is needed by purchasing additional servers and related hardware. HHSC has conducted a thorough assessment of hardware needs and developed a capacity plan.

- HHSC increased storage requirements to increase accountability and performance. The design is more rigorous and provides a complete look at a household, to support an integrated approach to eligibility. TIERS collects twice the data elements of SAVERR, which results in a stricter adherence to state and federal policy requirements.

TEXAS Health and Human Services System

HHSC's Management Response (continued):

- There are more than 1,000 screens available in TIERS, but only those screens that are applicable to the case being processed are presented to the caseworker. A worker goes through 80-100 screens in a typical case and a complex case might require up to 250 screens.

- Manual data corrections are rare and the agency is working to reduce the need for such changes even further. There are 4.5 million transactions processed each month in TIERS, so this represents a fraction of the transactions per month.

- In some instances a manual process is appropriate and necessary. For example, if a caseworker mistakenly enters the wrong data from the application, a senior worker may enter the correction for that case, allowing the case to be completed during the applicant's visit.

- For both SAVERR and TIERS, cases are pended by caseworkers who are waiting for more information to be submitted by the applicant.

The continued development and deployment of TIERS will be carried out over an extended time period.

- Involves the conversion of approximately 8 million records.

- Must ensure that 7,000 staff are trained to use the new system.

- Region 7 (Central Texas) conversion will occur in segments each approximately the size of Williamson County rollout.

- Federal funding agencies – CMS and FNS – invited to participate in readiness testing and to be on-site in local offices for "go live".

- Readiness criteria include whether sufficient levels of TIERS trained staff are located in rollout areas so that timeliness performance is not reduced.

HHSC partners with the Department of Information Resources (DIR) for management of the voice, fax and data management services that support HHSC's eligibility offices and call centers' access to TIERS and supporting systems.

- DIR assumed responsibility of providing access to the call centers and to the TIERS application from Accenture in July 2007.

- HHSC is working with DIR staff to address issues that resulted from:

  - the transition from the former vendor and

  - the increasing demand for telecommunication services.

- DIR has implemented an improvement plan that includes several performance enhancements, which will ensure clients' access to the call centers and other critical resources.

Staffing and Workload

Average Annual Filled Eligibility Determination Positions

Average Annual Filled Eligibility Determination Positions
FY1995 through FY2008

Fiscal Year	Positions
FY 1995	12,487
FY 1996	11,933
FY 1997	11,710
FY 1998	10,404
FY 1999	10,378
FY 2000	9,606
FY 2001	9,668
FY 2002	9,142
FY 2003	8,446
FY 2004	7,573
FY 2005	6,703
FY 2006	5,975
FY 2007	6,382
Budgeted FY 2008	7,136
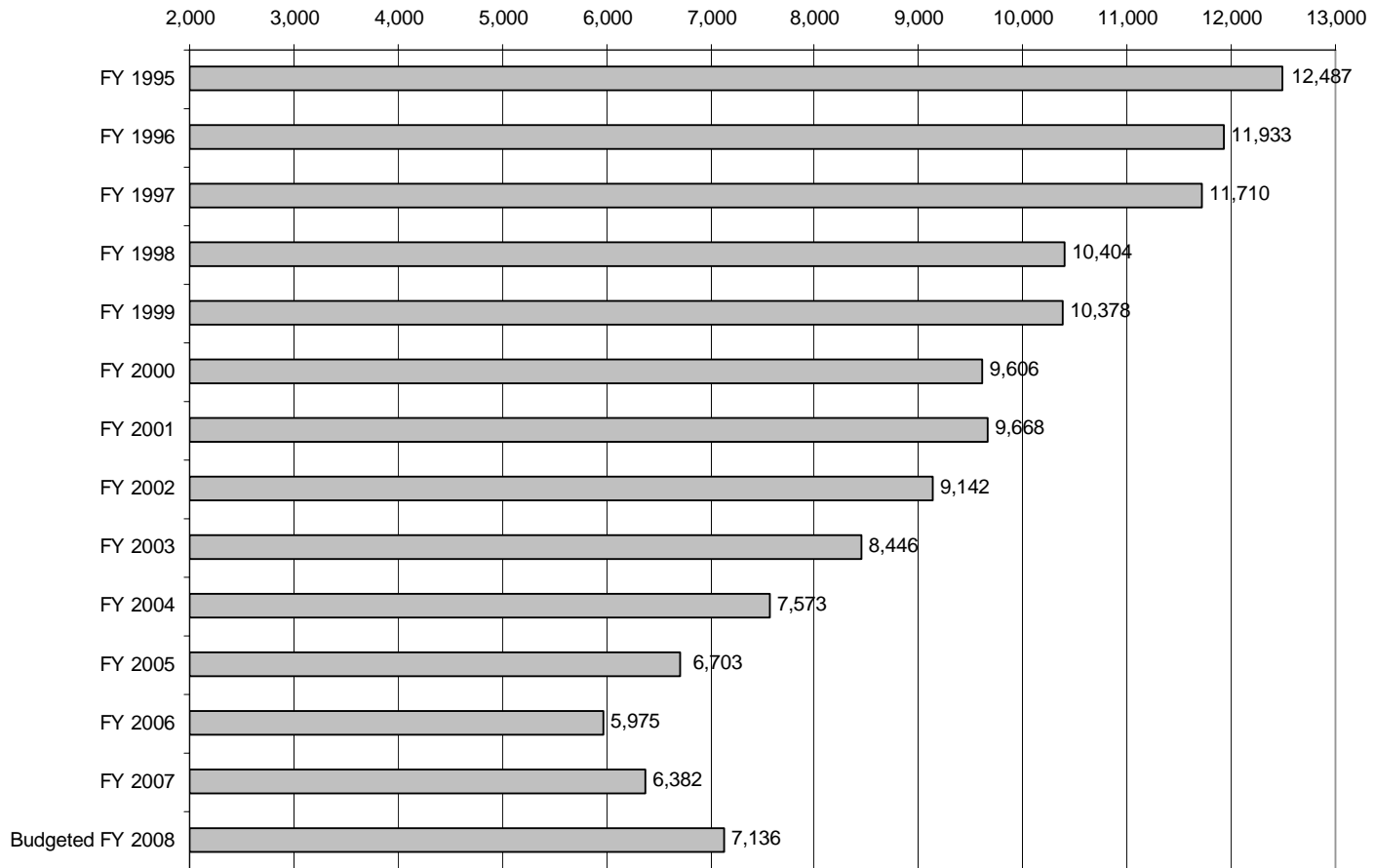
Average Number of Recipients per Staff Person

Number of Medicaid, Food Stamp and TANF Recipients Per Eligibility Determination Filled Position

Year	Value
1995	437
1996	436
1997	402
1998	389
1999	351
2000	367
2001	374
2002	442
2003	561
2004	691
2005	814
2006	946
2007	849
Budgeted 2008	782

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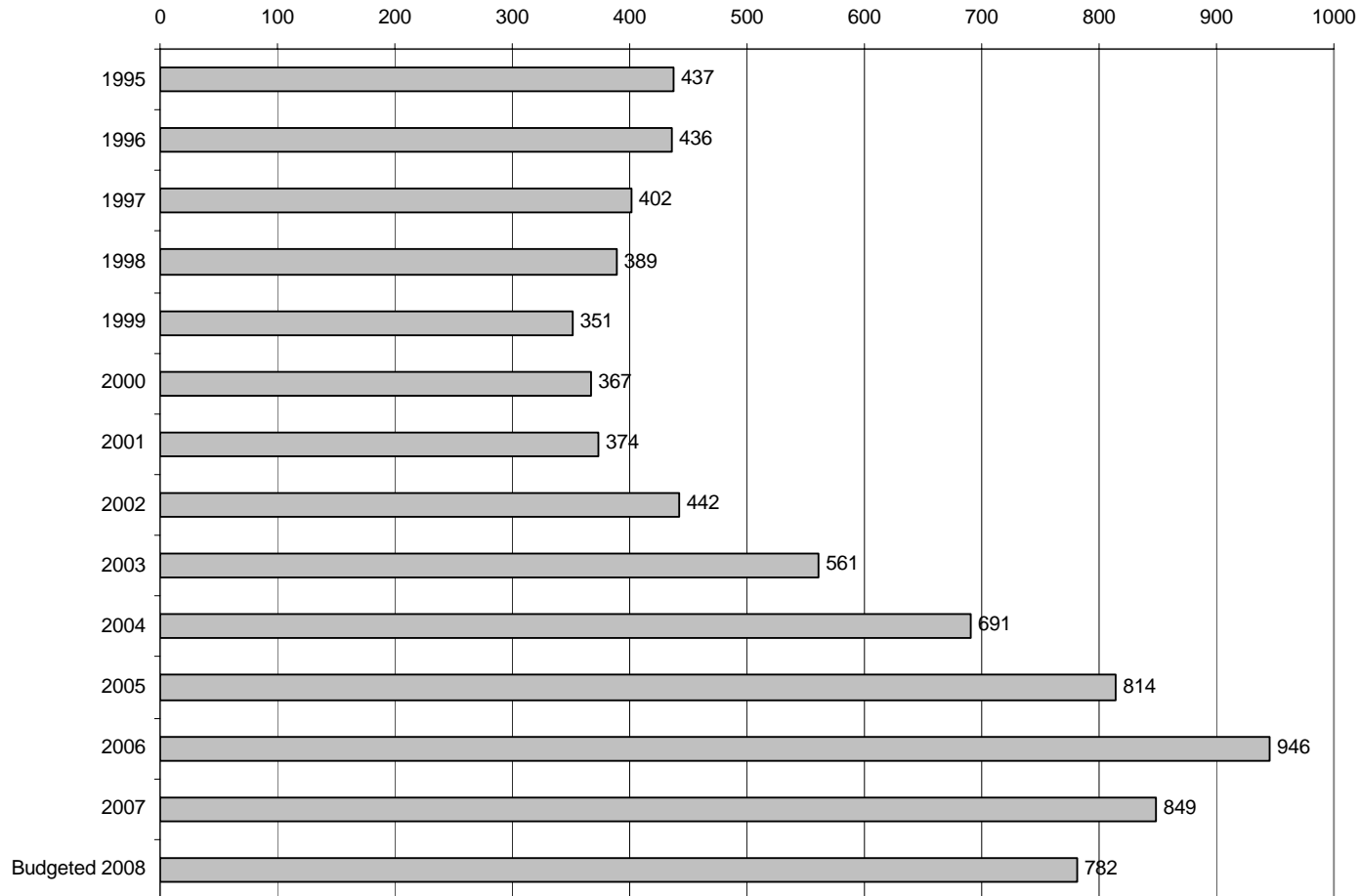
Workforce Stabilization Efforts

- Since January 2007, converted 2,000 temporary jobs to regular employment status.

- Eligibility determination (full-time) positions are posted statewide, with positions available in all 11 regional areas.

- All positions are regular full-time positions.

- Hiring qualified candidates for advisors, clerks, supervisors and other vacant positions.

- Conducting outreach to retirees and previous eligibility staff.

- HHSC has hired 800 new eligibility staff since the beginning of FY 2008. During this same period, a total of 676 staff left employment with the agency.

- Implementing process improvements that reduce overtime and divert work from local offices to specialized teams and centralized units.

- Continuing to assure state staff that no reduction in force or office closures will occur as we modernize the eligibility system.

Turnover by Region

Region	FY 2006 Turnover Rate	FY 2007 Turnover Rate
Lubbock	32.3%	21.1%
Abilene/Midland	31.4%	22.2%
Dallas/Fort Worth Metroplex	37.1%	24.9%
Tyler	40.9%	24.1%
Beaumont	34.2%	28.6%
Houston	27.5%	28.6%
Austin	43.2%	23.7%
San Antonio	27.9%	18.3%
El Paso	15.3%	10.4%
Rio Grande Valley	21.5%	14.8%
Total	**31.1%**	**22.3%**

TEXAS
Health and Human
Services System

To reduce local office workload, most of TIERS Children's Medicaid eligibility is performed in centralized units:

- In January 2007, most of the staff were housed in Austin (108 staff).

- In the last six months in FY 2007 we lost 70 employees – a turnover rate of 64.8%.

- With the new appropriation we have substantially increased staff from 108 to 169. New hires were placed outside of the Austin Region.

- TIERS enabled us to redistribute TIERS Children's Medicaid workload to other labor markets in state – work previously done in Austin is exported to Midland, Athens, and San Antonio.

TEXAS
Health and Human Services System

Eligibility Determination Workers, Years of Service
September Counts by Percent: 2004 - 2007
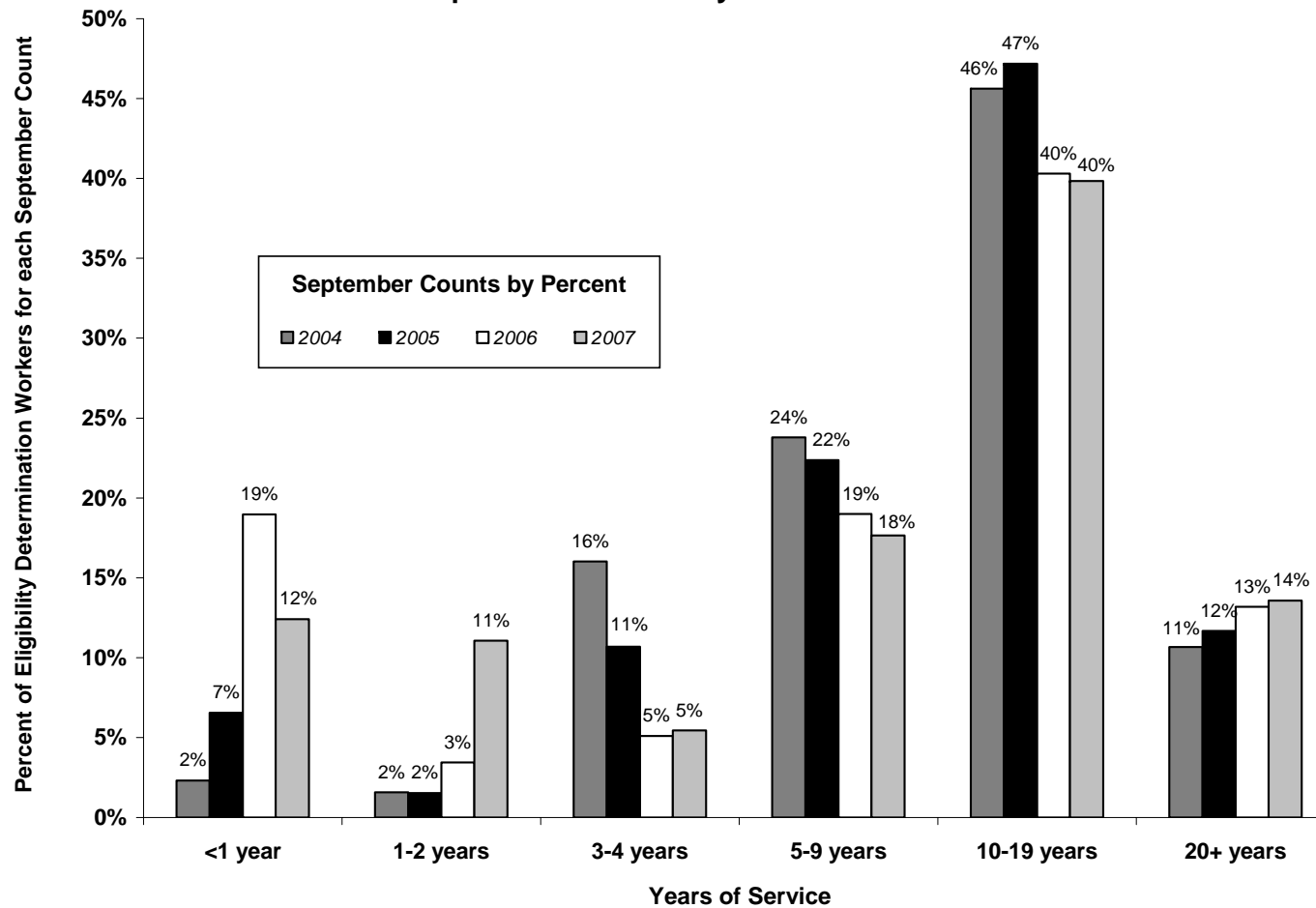
## Actions Taken to Reduce Job Vacancy Rate:

- "Hire ahead" effort to reduce job vacancies.

- Regional hiring coordinators have been assigned to expedite the hiring of new staff.

- Considering strategies to improve staff compensation (currently entry level workers are paid an average salary of $2,177 per month).

Timeliness

Statewide Percentage of Food Stamp Applications Completed within 30 Days
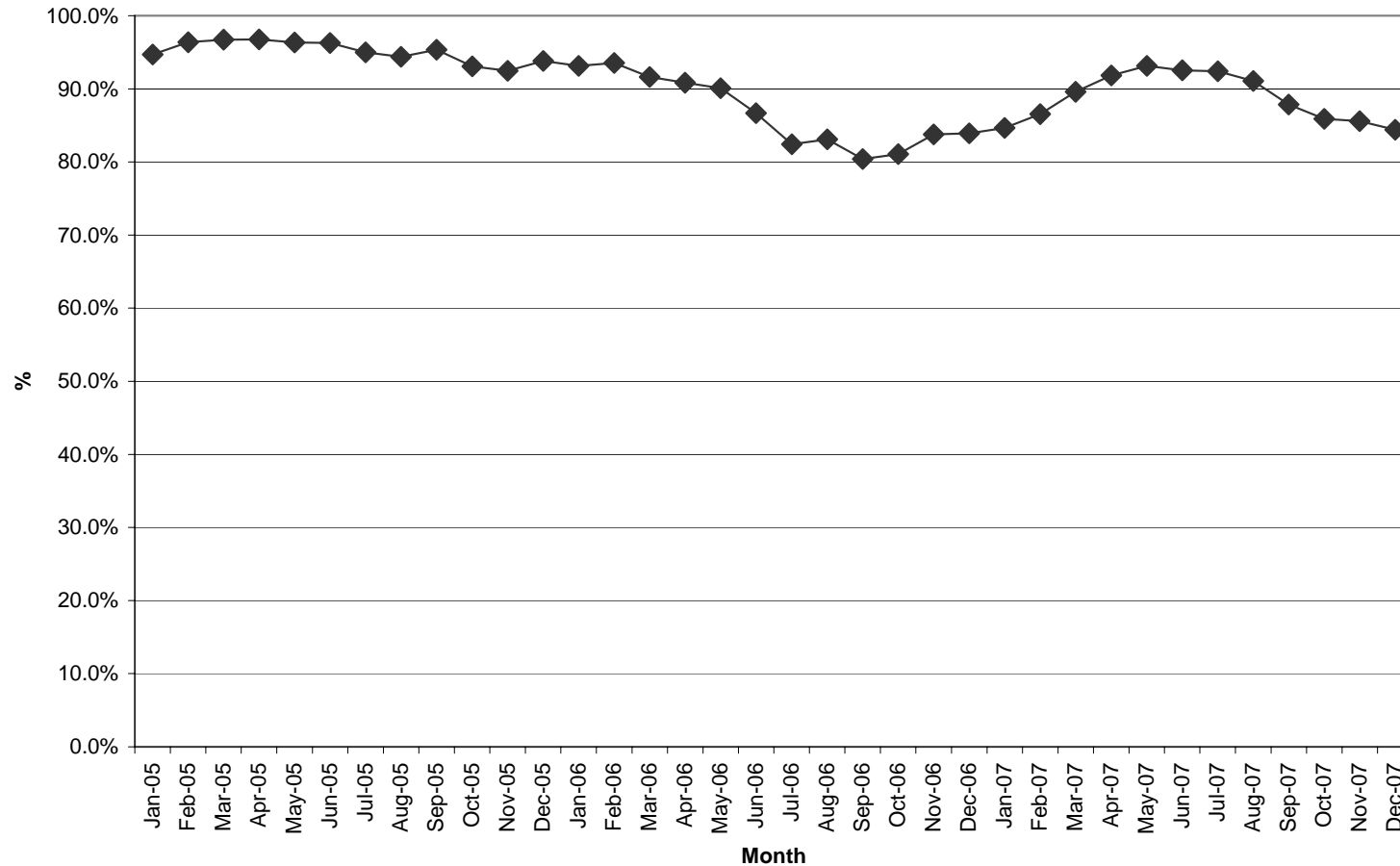
Timeliness Problems

Due to high employee attrition and reduced staff tenure, timeliness is down for both SAVERR and TIERS.

Timeliness for cases processed in TIERS is lower than cases processed in SAVERR:

- TIERS data collection is more extensive.
- Cases in TIERS have been increasing rapidly while the staff trained in TIERS has not kept pace.
- Staff are less proficient in TIERS than in SAVERR.
- DFW, Houston, and Austin account for large numbers of TIERS cases.

Statewide Food Stamp Application Timeliness
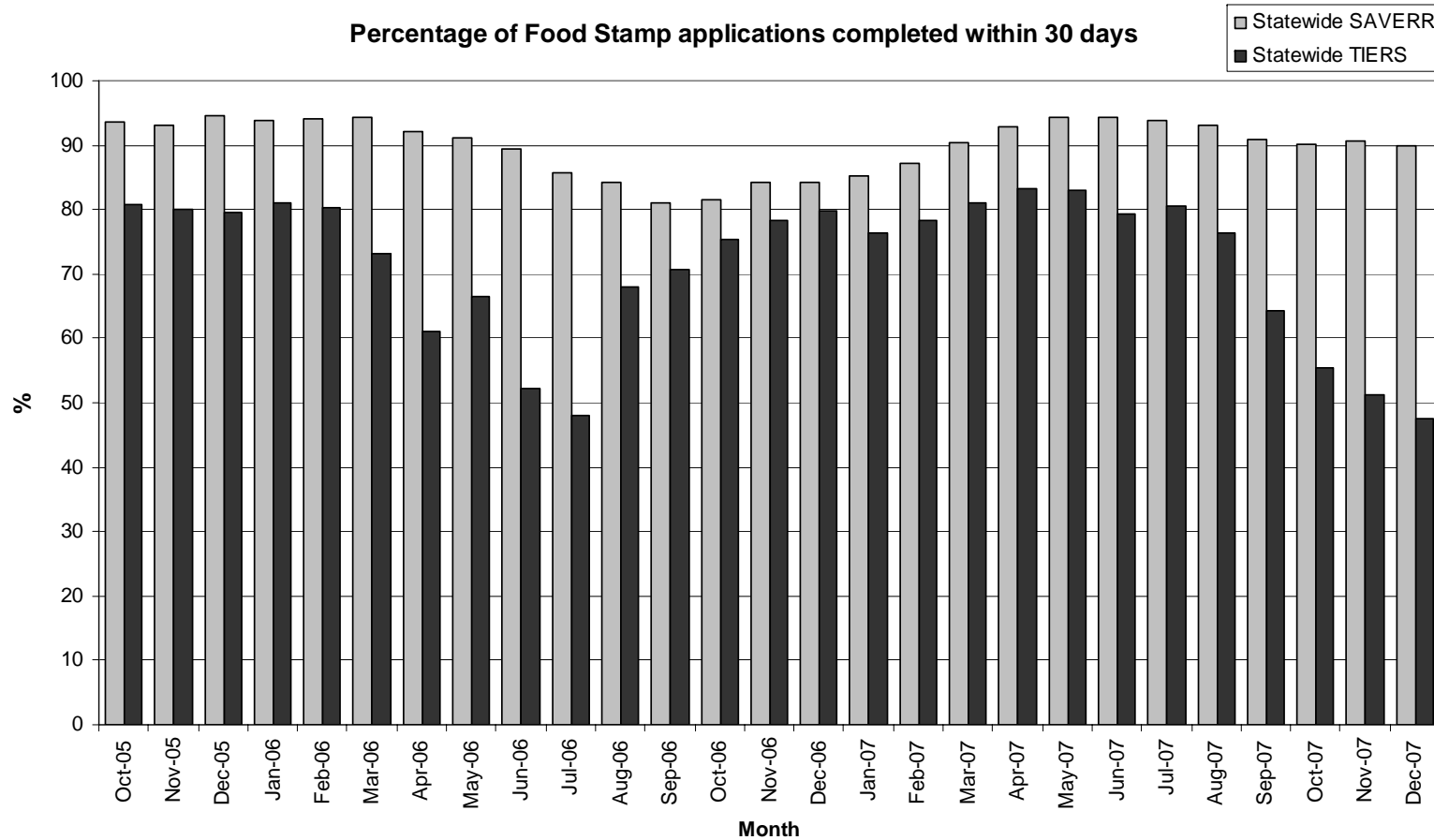
Statewide Medicaid Application Timeliness

Percentage of Medicaid applications completed within 45 days
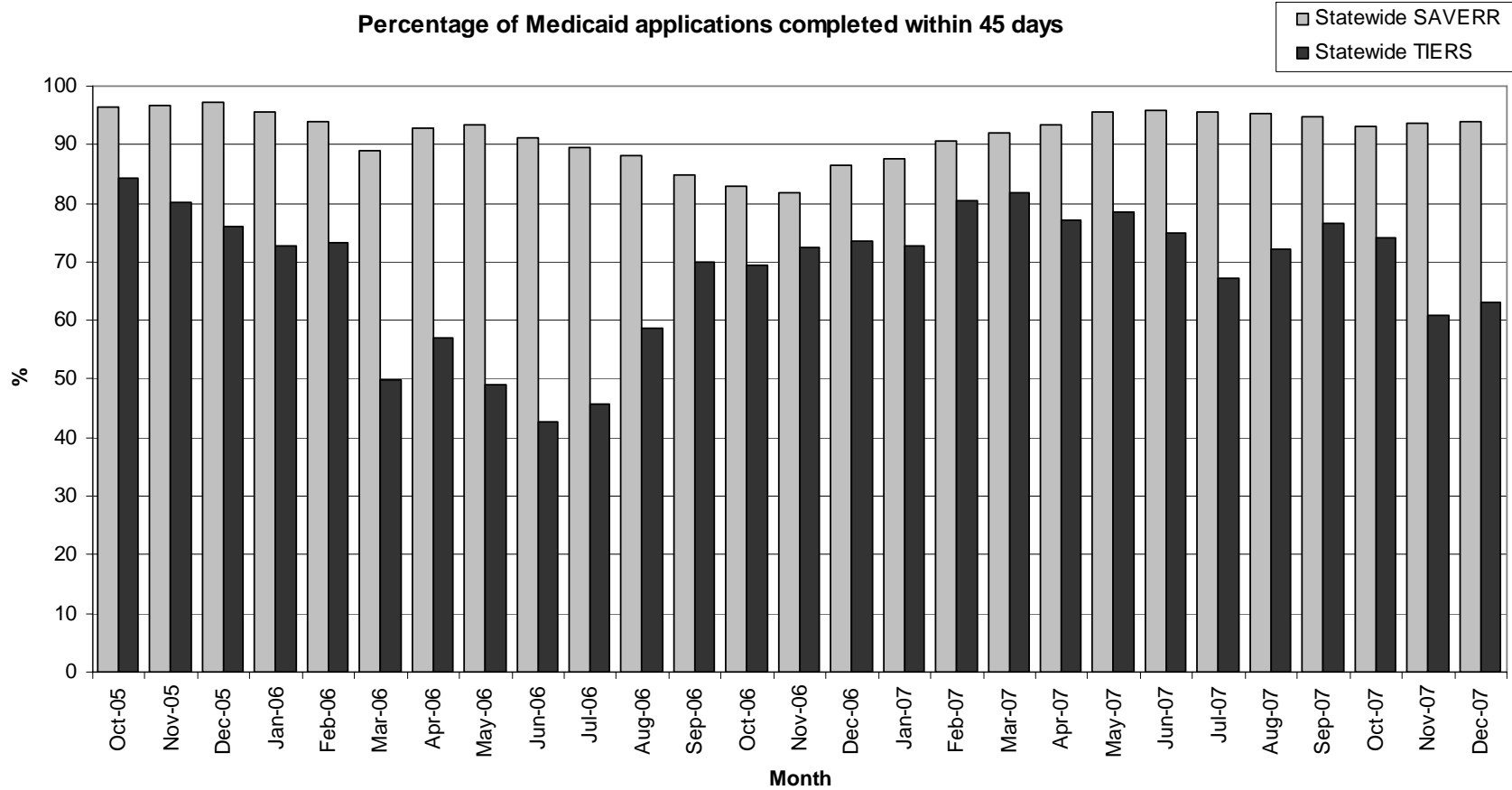
Legend: ☐ Statewide SAVERR ■ Statewide TIERS

Growth in TIERS cases

- **The number of TIERS cases as a percentage of all cases statewide has more than doubled in the past year:**
  - 5.2 percent in January 2007
  - 11.6 percent in January 2008
- **In January 2007, when the Women's Health Program was launched, 69 percent of TIERS cases were in the pilot area.**
  - One year later, 29 percent of TIERS cases were in the pilot area.
  - During this timeframe the total number of cases in TIERS increased by 130 percent.
- **In 2005, HHSC anticipated Women's Health Waiver and Foster Care - Adoption Managed Care Program statewide rollouts would occur after statewide SAVERR conversion to TIERS.**
  - Further investment in SAVERR was not prudent.
  - The same client cannot be in both computer systems, making the option of using both computer systems for the new programs infeasible.
  - Women's Health Waiver is a provider-driven program; this has led to higher than anticipated application rates and the acceleration of SAVERR case conversions to TIERS.
  - SAVERR cannot support the design of the Women's Health Waiver program with its electronic submittal of client applications by providers.

Statewide diffusion of TIERS cases

- Due to Women's Health Waiver and Foster Care-Adoption Managed Care programs and the geographic relocation patterns of our clients, TIERS cases are no longer centrally located in the three pilot counties, they are diffused throughout the state.

- This means we must have eligibility staff statewide trained in both systems - SAVERR and TIERS; this effort is exacerbated by high turnover and vacancy rates.

- Some staff are currently managing their workload in two automation systems.

- Having to use both systems reduces staff proficiency and leads to diminished speed and accuracy.

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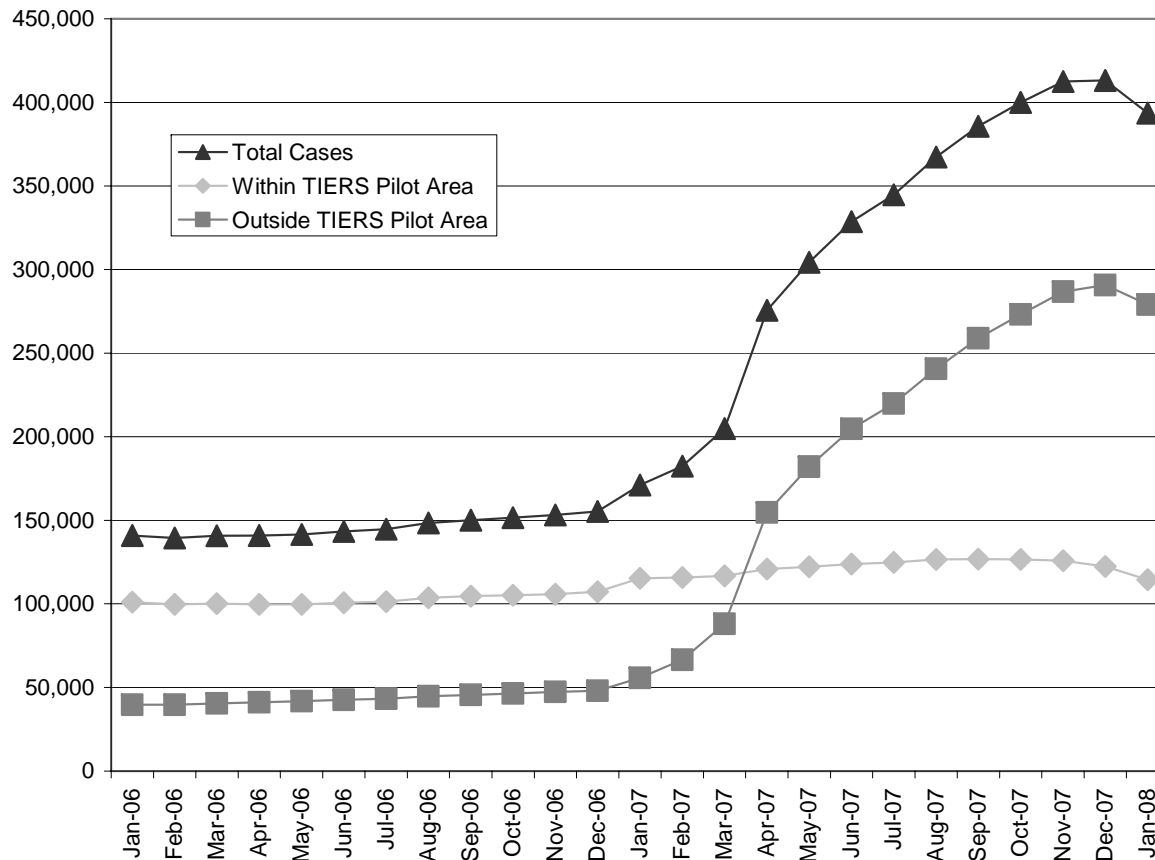
A case refers to a single program type. A person or household may have multiple cases if they qualify for more than one program, such as a family that receives both Food Stamps and Medicaid. Therefore, the number of cases does not represent an unduplicated number of clients.

Additional Factors Contributing to Timeliness Issues

In December 2007 the TIERS application exhibited slow system performance.

- Cause: The increase in both the number of cases and the number of eligibility staff utilizing TIERS.

- Corrective Action: An additional server was added in mid-December to address the immediate need.

  - Additional modifications were made to further enhance performance in early January.

  - TIERS programming enhancements were implemented in early February.

- Long-Term Planning: The capacity plan for TIERS was completed at the end of January 2008, to anticipate hardware needs based on the increasing caseload and the number of users.

- The new FY 2008-2009 appropriation allows us to increase eligibility staff and the trainers needed.

- Since July 2007, over 1,400 eligibility staff have completed the TIERS training.

- Goal is to train 2,000 staff in TIERS within the next six months. This number will be approximately half new staff, half current staff.

- With increasing growth of TIERS cases, new workers will be trained in TIERS based on caseload needs.

Actions to Improve Timeliness

- **Reduce local office workload:**
  - Created several centralized units to relieve staff in local offices.
- **Strengthening efforts to improve timeliness and quality:**
  - Stronger productivity monitoring to ensure performance expectations are met.
  - Designating specialized staff at the front-line level to focus on service improvement initiatives.
  - Greater focus on policy support, targeted case reviews, and quality assurance monitoring.
- **Improve client access:**
  - Upgrading local office phone systems in 26 sites to improve client access; these offices combined have more than 1,400 eligibility staff.
- **Stabilize workforce and increase staffing levels**
- **Federal regulatory waivers:**
  - In discussion with FNS on regulatory waivers that would reduce workload and quickly lower number of untimely cases.

Current policy

- Households certified under federal streamlined reporting rules have a 6 month certification period.
  - Adults exempt from work requirements.
  - No changes expected in next 6 months.
  - Only have to report change in residence or income.
- Households with all members over age 65, and receiving SSI are certified for 36 months.
- Households with elderly and disabled members and stable income are certified for 12 months.
- Other households are certified 1-6 months.

Federal regulations allow a 12 month certification period for streamlined reporting households, but require an interim report at 6 months.

FNS Waiver –
Extend Certification Periods

Proposed Policy

- Extend the certification period for streamlined reporting households to 12 months.
- Waive the requirement to have an interview or submit an interim report at 6 months.

Benefits

- Streamlined reporting households are 67 percent of the total food stamp caseload, and 75-85 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.

Procurement

Procurement Strategy

HHSC's procurement strategy is being designed to keep complex decision-making in the hands of experienced state employees, while allowing qualified contractors to perform functions that support eligibility determination and improve business processes.

HHSC will:

- Re-define the roles and functions of state staff and vendor staff.
- Enter into contracts with qualified contractors to support state roles and responsibilities in implementing an enhanced eligibility system.

Procurement Strategy

Eligibility Support Services (includes CHIP processing and call centers)

Issue request for information	May 2007
Issue draft request for proposals	October 2007
Issue final request for proposals	To be determined
Tentative Contract award	180 days after the RFP is released
External review of contract	90 days after tentative award

Document Processing Center

Issue request for information	May 2007
Issue draft request for proposals	October 2007
Issue final request for proposals	To be determined
Tentative Contract award	180 days after the RFP is released
External review of contract	90 days after tentative award

Enrollment broker services

Issue request for information	May 2007
Issue final request for proposals	December 2008
Contract award	December 2009

TIERS maintenance and support

Issue final request for proposals	November 2008
Contract award	November 2009
External review of contract	December 2009-February 2010

Division of Responsibilities - BEFORE

TEXAS
Health and Human
Services System

**Client
Access Channels**
- Phone
- Mail
- Fax
- Internet Website

Vendor Performed

Eligibility Services Support
- Answered phone inquiries via Call Center
- Received, opened, sorted applications and renewal/redetermination documents via mail, fax, phone, and internet
- Researched unidentified mail
- Imaged inbound documents
- Assembled the electronic case files (image association)
- Assessed Missing Information & conducted correspondence with client
- Performed Application Registration
- Scheduled Appointments
- Collected data for applications and redeterminations
- Performed data broker look-ups
- Determined eligibility and enrollment for CHIP cases
- Processed complaints, CHIP reviews, appeals
- Escalated complex issues and cases as required
- Enrollment Broker Services

HHSC Processes
- Determined eligibility for food stamps, TANF, Medicaid, and Medicaid for Elderly and Persons with Disabilities (MEPD)
- Certified and issued benefits
- Heard appeals
- Provided in-person assistance
- Performed complex reviews and resolved complex complaints
- Issued expedited benefits

Division of Responsibilities - AFTER

TEXAS
Health and Human
Services System

Client Access Channels
- Phone
- Mail
- Fax
- Internet Website

The Eligibility Services Support and Document Processing Vendors Will

- Answer phone inquiries via Call Center
- Receive, open, sort applications and renewal / redetermination documents via mail, fax, phone, and internet
- Research unidentified mail
- Image inbound documents
- Assemble the electronic case files (image association)
- Perform Application Registration
- Schedule Appointments
- Determine eligibility and enrollment for CHIP-only with no associated cases
- Escalate complex issues and cases as required

- **HHSC Processes**
- Determine eligibility for all HHSC programs including eligibility for CHIP clients with associated cases
- Assess missing Information & conducted correspondence with client
- Collect data for applications and redeterminations
- Performed data broker look-ups
- Certify and issue benefits
- Hear appeals
- Provide in-person assistance
- Perform CHIP reviews
- Resolve complaints
- Issue expedited benefits

- Texas' eligibility workforce and program performance were eroded as a result of a large impending RIF.

- Timeliness problems are greatest in those regions with high staff turnover and vacancy rates; staff recruitment and retention in the Austin, DFW and Houston regions, which have robust job markets, is a critical problem.

- SAVERR does not allow for the redistribution of excessive workloads to geographic areas where we can more successfully hire and retain staff.

- Job complexity for staff across the state who must now work in two computer systems exacerbates employee attrition and thus case timeliness rates.

- Critical decisions regarding the implementation of new legislatively mandated programs had to be made at a point in time when HHSC anticipated near future rollout of TIERS statewide.

- Women's Health Waiver and Foster Care and Adoption Managed Care programs, along with client re-location patterns, will continue to accelerate the conversion of cases from SAVERR to TIERS.

- H.B. 3575 provides an opportunity to continue to enhance the eligibility system to be more fully functional to the needs of Texans.

- Existing eligibility system must be modernized.
  - Continuation of the current system is not feasible.
    - Staff and resource intensive.
    - Cannot respond to caseload growth without substantial increases in appropriations.

- The state's goals remain:
  - Increase access to services.
  - Implement efficient and simplified business processes.
  - Reduce fraud.
  - Comply with federal law.

- Lessons learned are being applied to the design of the new system and HHSC remains committed to creating a system that improves access to services for consumers and efficiently and effectively utilizes the available resources.