



House Committee on Human Services

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Health and Human Services Commission
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Topics Requested by Committee

- Status on Bill Implementation
 - HB 75
 - HB 109
 - HB 1230
 - HB 3571
 - HB 3575
- Eligibility Update
- Long-term Care Rates
- TANF Exemptions
- Raising Texas

H.B. 75

- Establishes review and appeal of Food Stamp and Medicaid program applicants and clients denial, termination, suspension, or reduction of benefits through the fair hearings process
- Requires an applicant or recipient of certain public assistance benefits to request an administrative review of HHSC's decision before they request judicial review
- Provides for state court judicial review of HHSC decisions of Food Stamp and/or Medicaid benefits

Implementation Status

- Adopted rules, effective September 1, 2007
- Out of 10,440 fair hearing requests, 67 administrative reviews (less than 1 percent) have been requested
- Of the 67 administrative reviews, 8 Fair Hearing decisions were reversed and 1 suit was filed with the District Court (as of January 17, 2008)

House Bill 109

H.B. 109

- Eliminates 90-day waiting period for most CHIP families
- Increases eligibility period to 12 months
- Initiates a six month income check for families with incomes above 185 FPL
- Applies income disregard for child care (up to \$200 per month for a child under age 2; up to \$175 per month for a child age 2 or older)
- Increases asset limit from \$5,000 to \$10,000 per household
- Increases vehicle exclusion limits from \$15,000 and \$4,650 to \$18,000 and \$7,500
- Requires outreach to increase awareness of CHIP

Implementation Status

- Policies, rules, and automation changes in place September 1, 2007
- Starting in March 2008, families with incomes above 185 percent FPL will have income review in the sixth month, with HHSC notification if additional information is needed or if the review finds the family's income has changed
- Enrollment increased 52,629 since September, to a total of 352,891 children as of January 2008. Enrollment is expected to increase to over 450,000 by the end of 2008-09 biennium based on the latest forecasts.

Outreach Activities

- Radio ads, produced in English and Spanish, run on more than 70 radio stations each May and August. The campaign also includes messages on buses; ads in publications that serve primarily African-American and Hispanic communities; ads for Spanish-language TV stations; and brochures in English, Spanish and Vietnamese.
- In October 2007, the CHIP vendor began making calls to 3,000-4,000 families a month when applications or renewal forms are incomplete. This allows the family to provide the information by phone or fax immediately rather than waiting for a letter.
- HHSC contracts with 28 community-based organizations to provide application assistance and conduct grassroots outreach efforts about CHIP and other HHSC programs.

Additional CHIP Changes

Enrollment

- Health plan selections accepted by phone starting in June 2007
- Fees can be paid through TexasOnline starting in December 2007 (667 families did so in first three weeks)
- Fees adjusted consistent with H.B. 109 to cover 12 months enrollment (previously 6 months)

	Previous Policy (6 months)	Policy Starting 9/1/07 (12 months)
Families below 133 percent FPL	\$0	\$0
Families between 134 and 150 percent FPL	\$25	\$0
Families between 151 and 185 percent FPL	\$35	\$35
Families between 186 and 200 percent FPL	\$50	\$50

House Bill 1230

H.B. 1230

- Requires HHSC to monitor programs and services provided to youth with disabilities who are transitioning from school-oriented living to post-schooling activities, services for adults, or community living
- Requires HHSC to establish a work group to create and implement a plan to ensure that a youth with a disability has the opportunity and support necessary to seek individualized, competitive employment in the community, improve interagency collaboration and increase available supported employment opportunities

Implementation Status

- Conducted survey of current data collected by the HHS agencies relating to transition services provided to youth with disabilities
 - Staff is developing a plan for monitoring employment, consumer satisfaction, and other transition indicators across HHS programs, and will begin data collection Spring 2008
- Established the employment work group in September 2007 to make recommendations for improvements to employment services and coordination
 - Work group meets on a monthly basis and is comprised of stakeholders and state agency staff
 - Work group recommendations are currently under review, which will guide any necessary revision to rules
 - Report on the implementation of the work group's recommendations is due to appropriate legislative committees by January 1, 2009

H.B. 3571 authorizes HHSC to partner with private retail grocery businesses in the South Texas Region

- to establish an outreach pilot for the Food Stamp Program and
- to provide incentives to encourage timely Texas Health Steps visits

Implementation Status

- Food Stamp Outreach pilot to be conducted in Webb and Nueces counties, and South San Antonio
- Incentives for Texas Health Steps visits will be provided to Medicaid clients in Nueces County
- Soliciting input of retailers, community-based organizations and managed care organizations to ensure the design of the pilot is sound
- Request for participation will be released in February

H.B. 3575 establishes goals for the enhanced eligibility system

Implementation Status

- Efforts to simplify client application are underway
- Released a draft transition plan for public input on September 18, 2007
- Transition plan released to the public on October 15, 2007
 - Available online:
www.hhs.state.tx.us/consolidation/IE/HB_3575_TransitionPlan.pdf
 - Plan includes the next steps for the eligibility system
 - Plan will be updated periodically

What is the Eligibility System?

The system is designed to determine eligibility for state services including:

- Medicaid
- Food stamps
- Children's Health Insurance Program
- Temporary Assistance for Needy Families
- Long-term care

About the Eligibility Systems

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 obsolete and costly technology and systems (including **SAVERR**)
- Clients cannot use multiple access channels, must be assigned to specific offices and caseworkers
- Is largely paper-based and ties a client to a local office
- Cannot provide workload relief due to lack of web-based tools and electronic records

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

Challenges of Operating Two Systems

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

Local Office Telephone Systems

- Antiquated phone systems in local offices make client access difficult
- 22 systems have been identified as needing immediate replacement across the state based on condition and greatest impact on clients
 - Federal approval obtained and replacement of these systems is underway

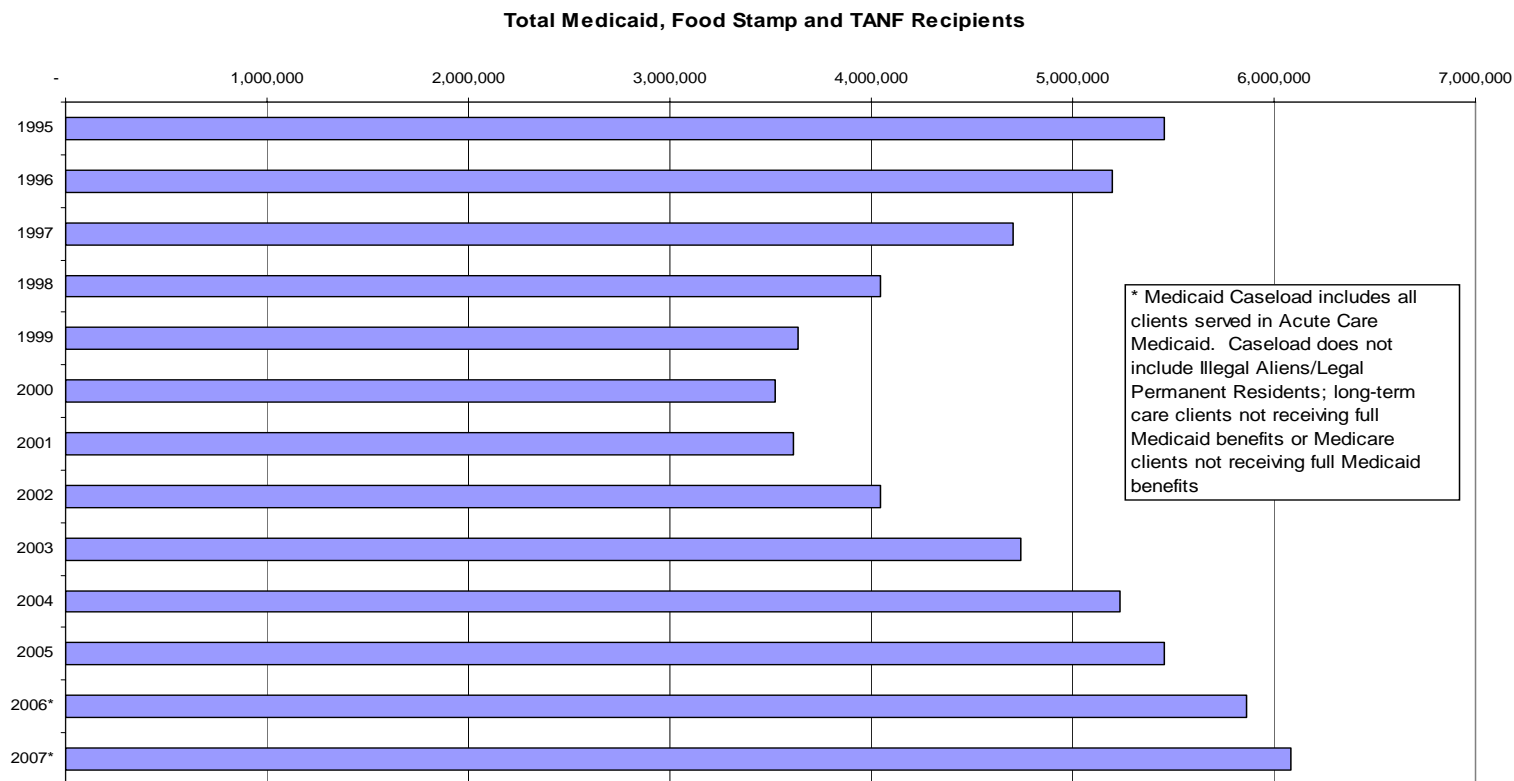
Next Steps for TIERS

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 approximately 7,100 employees trained to use the new system
- Federal approval received for next step of deployment – convert cases in the remaining Region 7 (Central Texas) counties
- Region 7 conversion will occur in segments each approximately the size of Williamson County rollout

Staffing and Workload

Increasing Demand for Services



* Recipients may receive benefits under more than one program

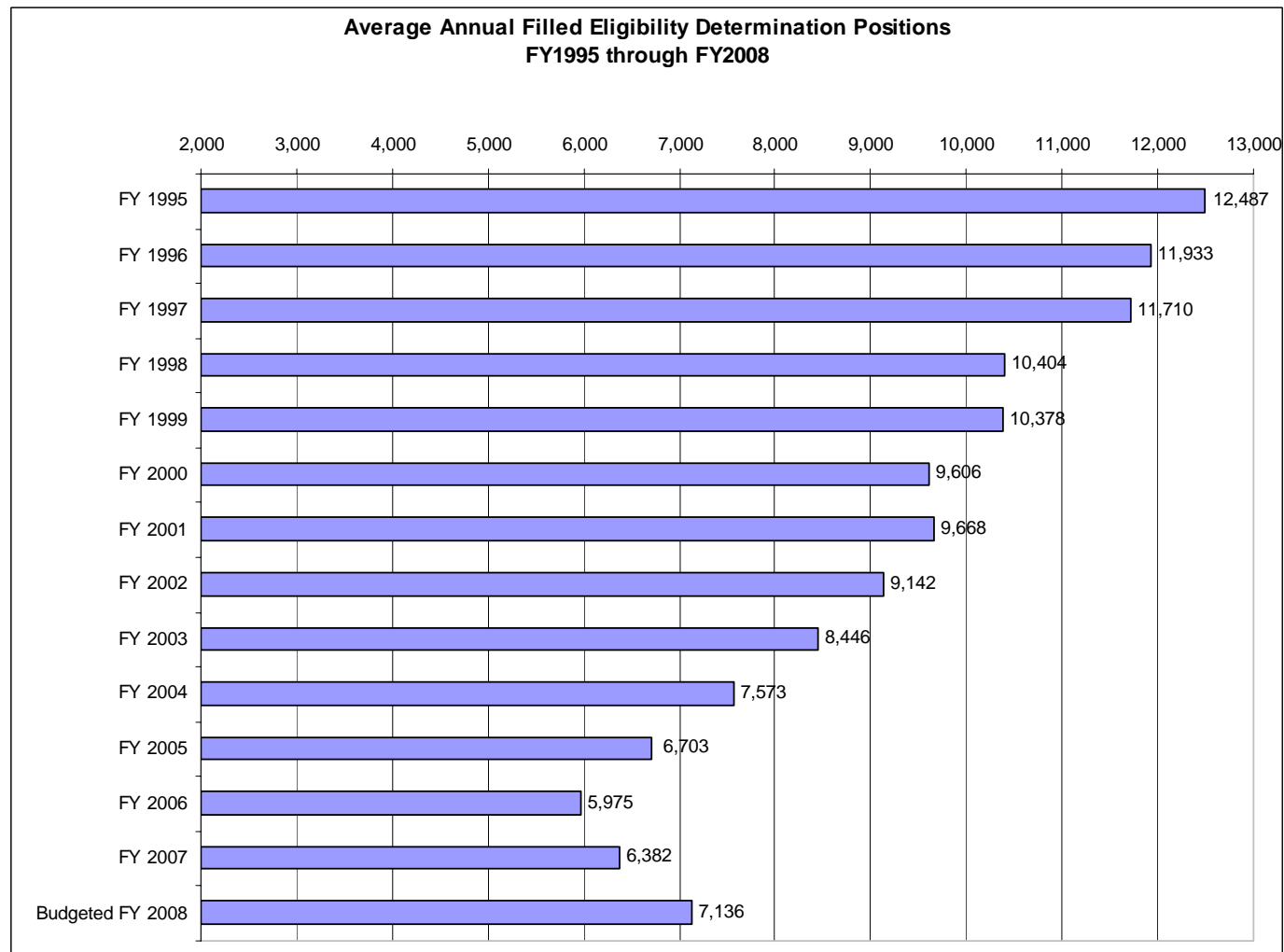


Fiscal Year Average Eligibility Determination Staff

FY 2002	9,142
FY 2003	8,446
FY 2004	7,573
FY 2005	6,703
FY 2006	5,975
FY 2007	6,382
FY 2008 Target	7,136

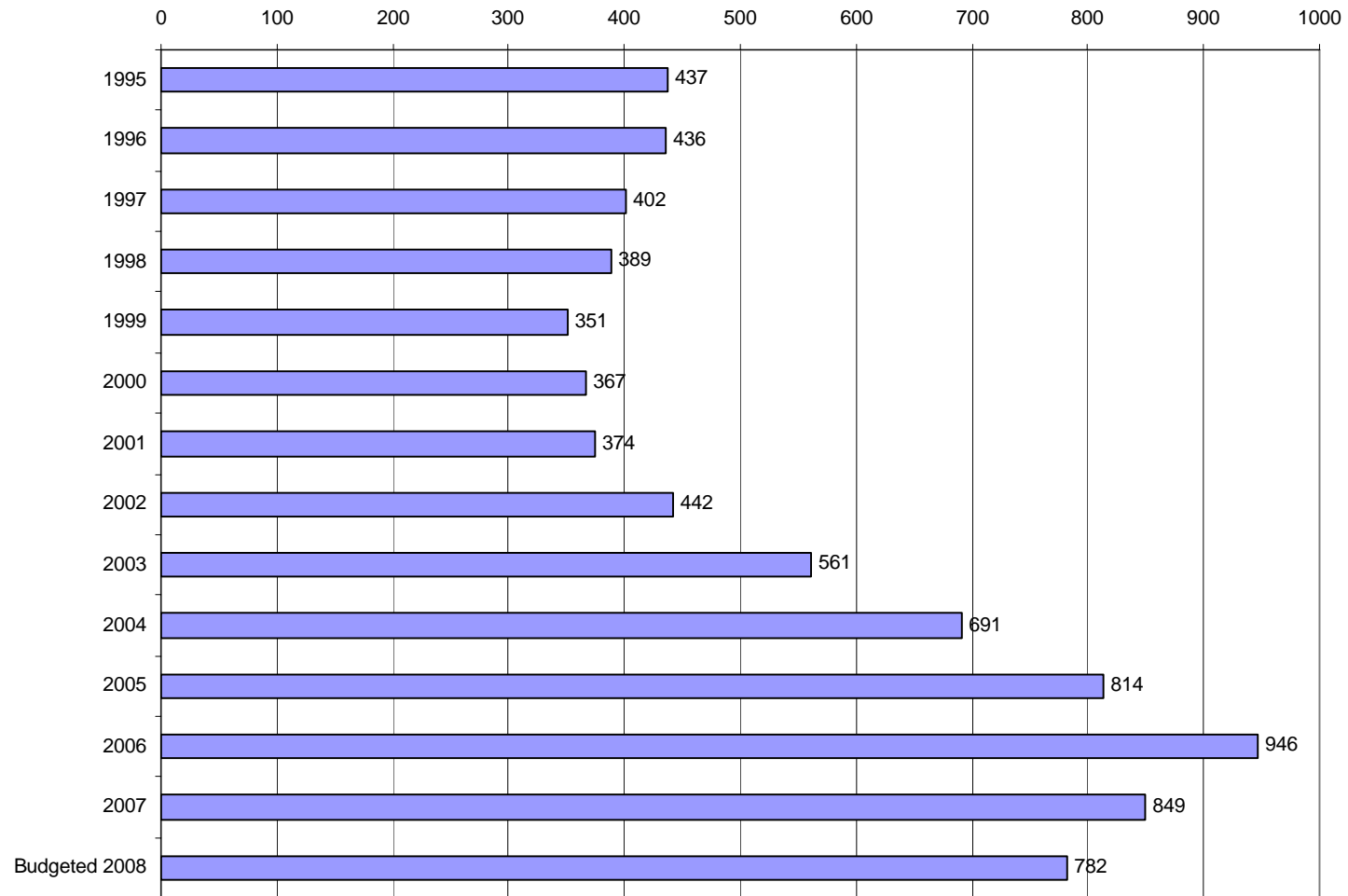
December 2007 – 6,339 filled jobs

Average Annual Filled Eligibility Determination Positions



Average Number of Recipients per Staff Person

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



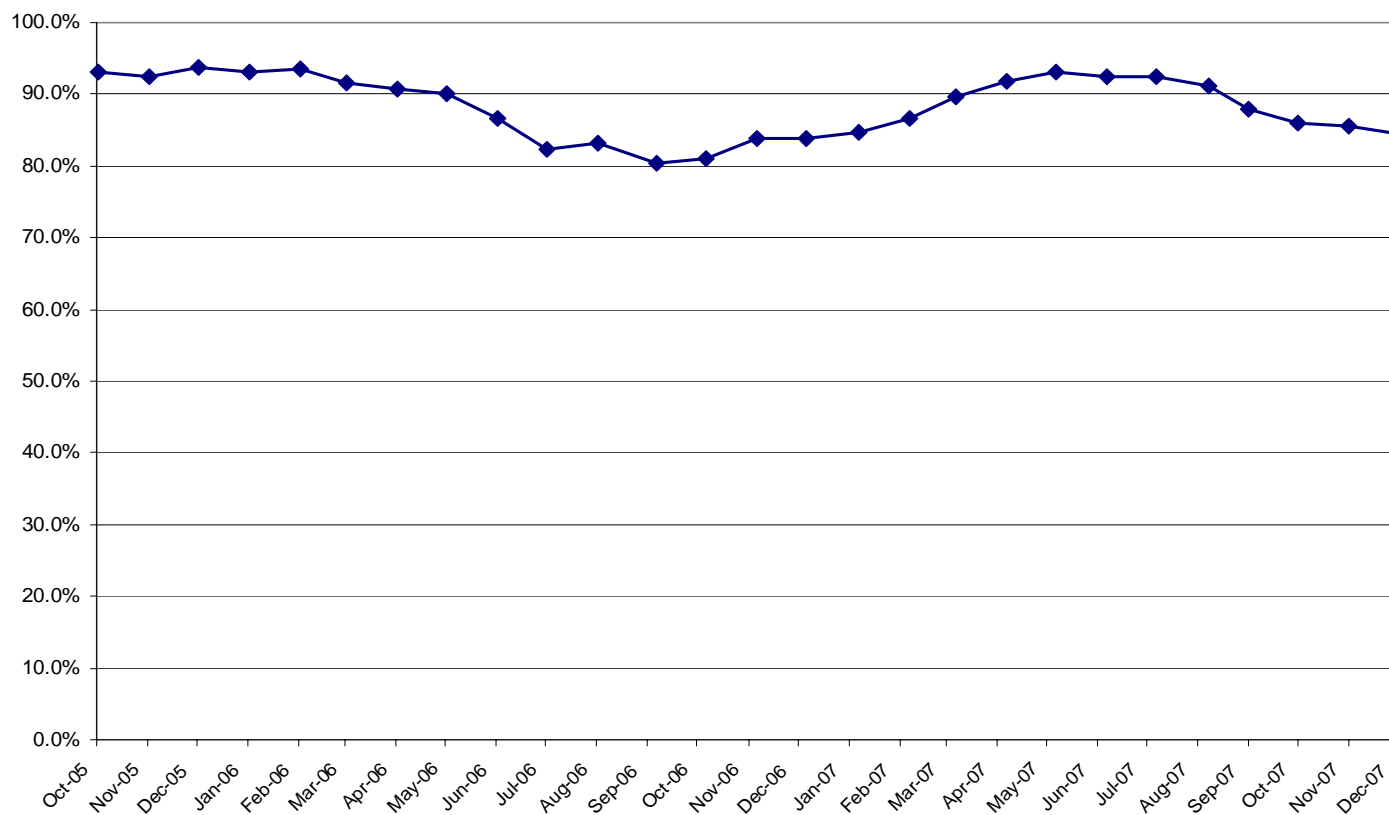
Workforce Stabilization

- Since January 2006, 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
- Providing timely training for newly hired employees
- Conducting outreach to retirees and previous OES employees
- 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 part of the modernization and enhancement of the eligibility system

Timeliness

Statewide Food Stamp Application Timeliness

Percent of Food Stamp Applications Completed Within 30 Days



Problems with Timeliness – Staff Turnover and Tenure

- The large metropolitan areas experience high attrition rates due to their diverse economies and job markets
- Difficulty recruiting and retaining staff affects program timeliness
- Lower proficiency level of less experienced staff impacts timeliness

Staff Turnover by Geographic Area

Geographic Area	FY2006 Turnover Rate	FY2007 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%

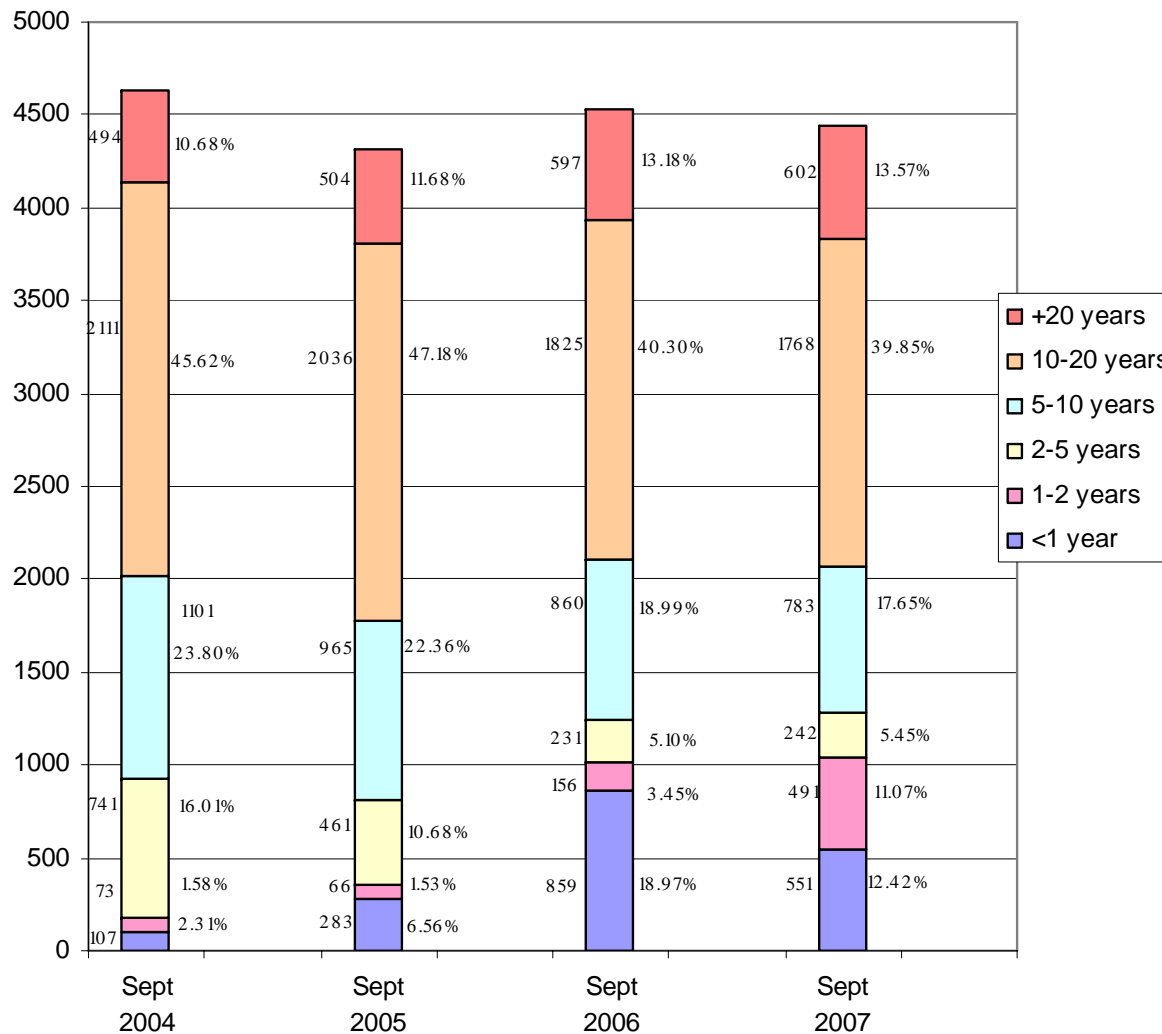
Impact of Turnover – Example Children’s Medicaid

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

- In January 2007, most of the Children’s Medicaid staff were housed in Austin (108 staff)
- In the last six (6) months of FY 2007 we lost 70 employees - turnover rate has been 64.8%
- With the new appropriations we have substantially increased staff from 108 to 169.
- TIERS enabled us to redistribute Children's Medicaid workload to other labor markets in state – work previously done in Austin is exported to Midland, Athens, and San Antonio

Decline in Eligibility Staff Tenure

State Tenure of Eligibility Determination Workers



...Growth and Diffusion of TIERS Cases

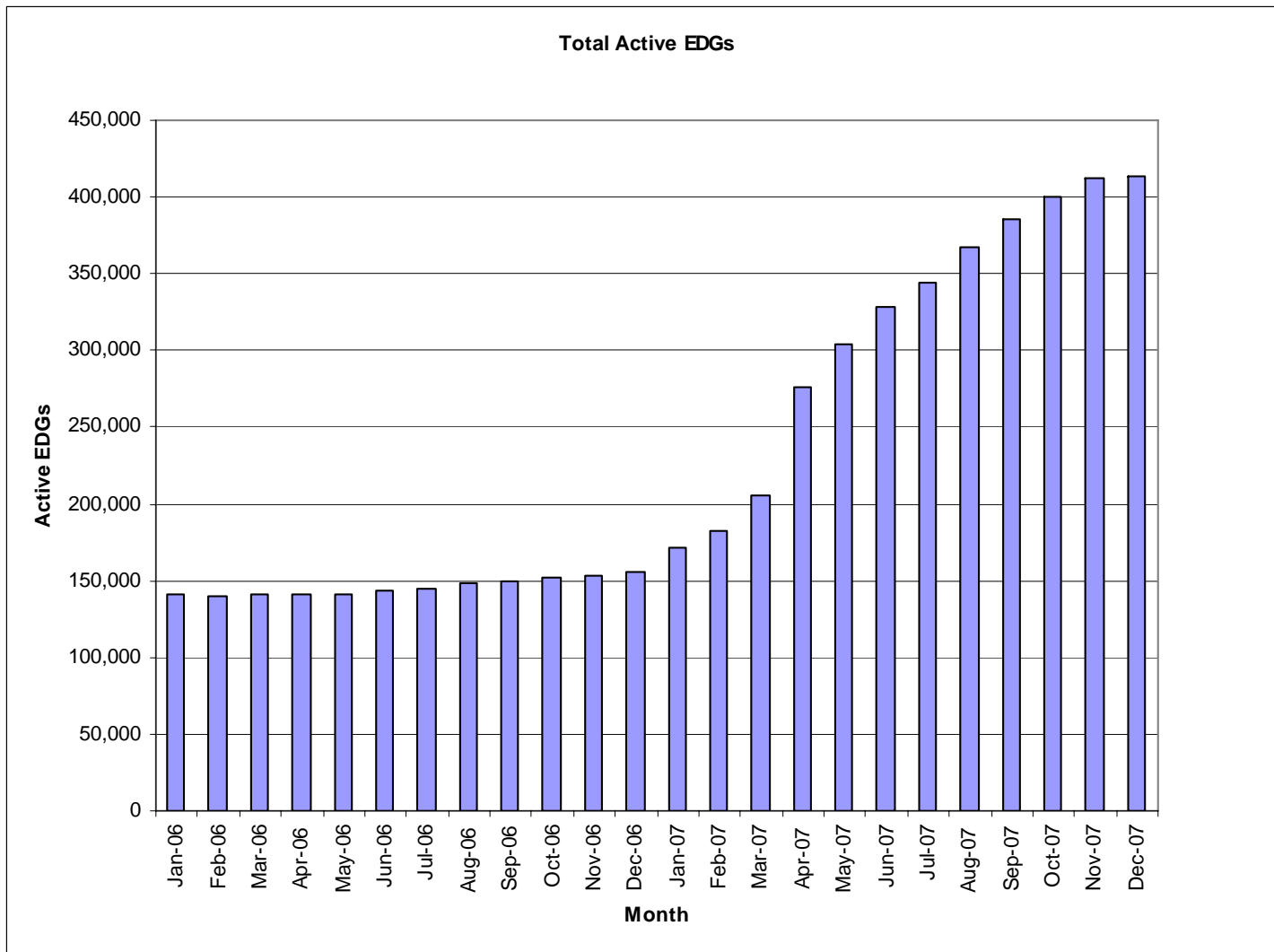
Growth in TIERS cases

- The implementation of Women's Health Program and the growth in Food Stamps has resulted in a 168.5% increase in TIERS Food Stamp applications processed monthly over a two year period

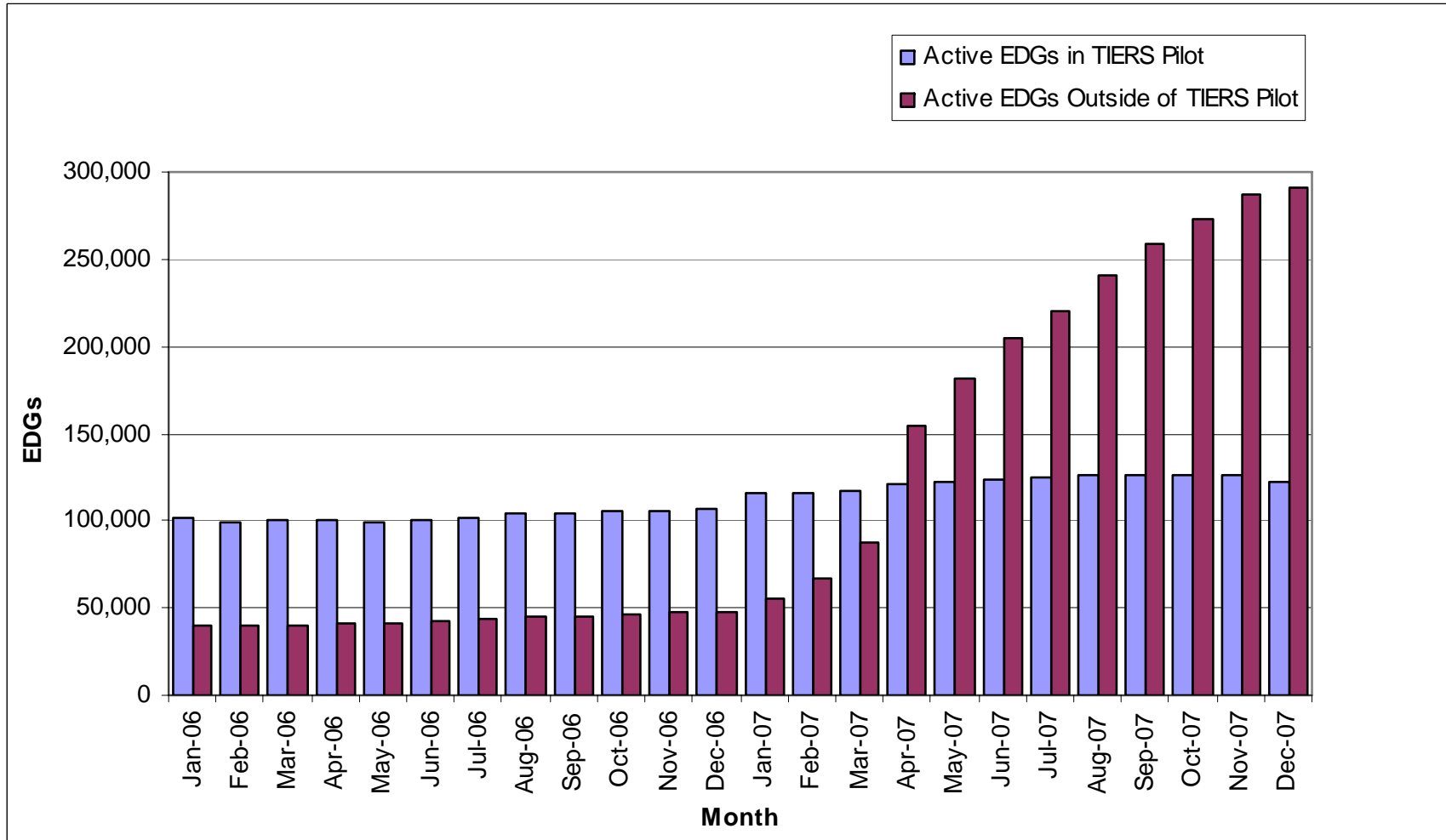
Statewide diffusion of TIERS cases

- TIERS cases are no longer centrally located in the three pilot counties, they are diffused throughout the state
- This means eligibility staff statewide must be trained in both systems - SAVERR and TIERS; this effort is exacerbated by high turnover and vacancy rates
- Staff are currently required to manage their workload in two automation systems
- Lack of staff proficiency leads to diminished speed and accuracy

Growth in Total Number of TIERS Cases



Diffusion of TIERS Cases



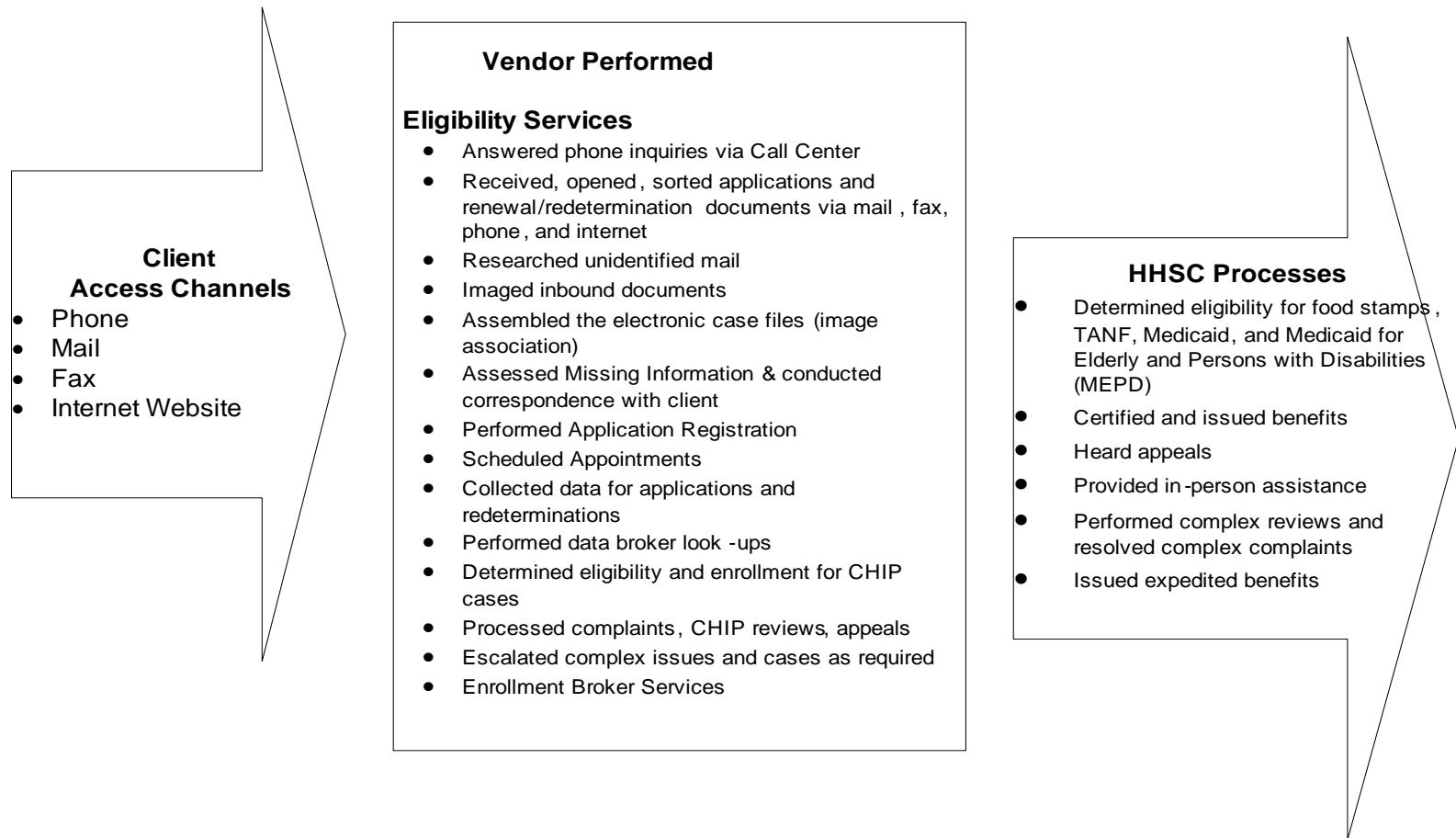
Actions to Address Timeliness

- **Demand for TIERS trained staff has outpaced resources**
 - The new FY 2008-2009 appropriation allows us to increase eligibility staff and the trainers needed
 - Since July, 1,182 staff have participated in classroom based TIERS training
- **Accelerating the hiring and TIERS training of eligibility staff**
- **“Overfill” hiring to reduce job vacancies**
- **Making process improvements to reduce 'lead time' for interviews required for food stamps, TANF, and adult Medicaid**
- **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

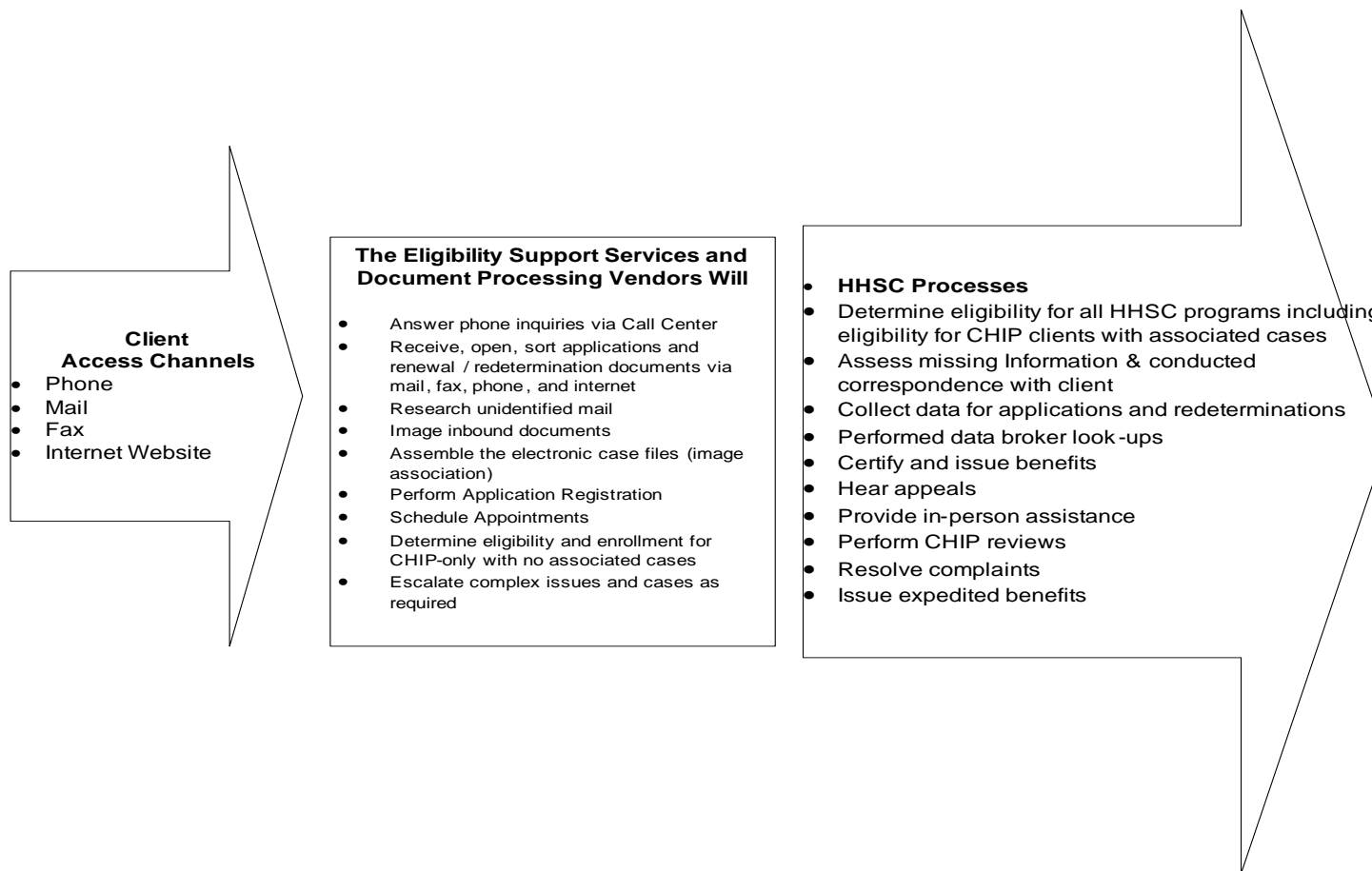
Procurement Strategy

- 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:
 - 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

Division of Responsibilities - BEFORE



Division of Responsibilities - AFTER





Next Steps Tentative Schedule*

Eligibility Support Services, including CHIP processing and call center operations

Issued request for information	May 2007
Issued draft request for proposals	November 2007
Issue final request for proposals	January 2008
Contract award	September 2008
External review of contract	July-September 2008

Document Processing Services

Issued request for information	May 2007
Issued draft request for proposals	November 2007
Issue final request for proposals	January 2008
Contract award	September 2008
External review of contract	July- September 2008

Enrollment broker services

Issued 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
Tentative Contract award	November 2009
External review of contract	December 2009-February 2010

* **Schedule is dependent on federal review and approval of final RFP's and Contracts.**

Conclusion

- 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

Transition from TILE to RUGs

- Since 1989 Texas has used Texas Index for Level of Effort (TILE) for Nursing Facilities & Hospice services
- Since 1995 the Centers for Medicare and Medicaid Services has used Resource Utilization Groups (RUGs) for Medicare reimbursement in the Nursing Facilities
- 31 states have transitioned or are in the process of transitioning to using RUGs for Medicaid payments
- Texas is transitioning from TILE to RUGs to:
 - Produce data that will allow comparisons with other states
 - Reduce paperwork for Nursing Facility Providers
 - Establish a more up-to-date case-mix system

Long-term Care Rates

- **Legislature appropriated funds for a a 4.9 percent rate increase in FY 2009 to ease the transition from TILE to RUGs**
- **FY 2009 rates for direct care and other resident care will increase by a total of \$5.17 per unit of service**
 - \$126.6 million All Funds (\$50.2 million GR)
 - 214 of 1044 nursing facilities would receive less in 2009 than in 2008 due to the change from TILE to RUGs without a Hold-Harmless Transition
- **Hold-Harmless Transition**
 - The 214 facilities that would be negatively impacted by the change from TILE to RUGs will be paid the higher of their 2009 RUG rate or the 2008 TILE rate during 2009, so that no facility will receive less in 2009 then it did in 2008
 - \$18 million All Funds (\$7.2 million GR)

TANF Exemptions

Study Potential for Federal Penalties (GAA Article IX Section 19.84)

- HHSC directed to study federal funding impact of current rules which allow exceptions to a person's required work or employment activity participation. Should the impact be negative, HHSC shall take actions to reduce the loss in federal funds.
- A report due to the Governor and LBB by February 1, 2008
- Out of 21,174 certified TANF adults, 6,984 currently have an exemption
 - Two exemptions from work participation codified in state statute:

Exemption	Number (Percent) of TANF Adults
A single parent or single caretaker relative caring for a child under age one at initial application (Human Resources Code §31.012(c))	2,015 (9.5%)
A parent or other relative caretaker needed at home to care for an ill or disabled child in the household, even if that person is not a member of the certified group (Human Resources Code §31.012(c))	713 (3.4%)

TANF Exemptions

- Five exemptions from work participation in state rules:

Exemption	Number (Percent) of TANF Adults
A parent or other relative unable to work due to a mental or physical disability expected to last more than six months (TAC Part 15, Chapter 372, Subchapter E, Division 2, Rule §372.1154(g)(5))	3,215 (15.2%)
A parent or other relative needed at home to care for a disabled adult in the household even if that person is not a member of the certified group and the disability is expected to last more than six months (TAC Part 15, Chapter 372, Subchapter E, Division 2, Rule §372.1154(g)(3))	715 (3.4%)
Pregnant and unable to work (TAC Part 15, Chapter 372, Subchapter E, Division 2, Rule §372.1154(g)(6))	231 (1.1%)
A caretaker who is age 60 or over. (TAC Part 15, Chapter 372, Subchapter E, Division 2, Rule §372.1154(g)(7))	86 (0.4%)
A single grandparent age 50 or over who is caring for a grandchild under age three (TAC Part 15, Chapter 372, Subchapter E, Division 2, Rule §372.1154(g)(4))	9 (0.0%)
Total	6,984 (33.0%)

- Preliminary results from a review of personal disability exemptions indicated approximately half of the exemptions were not supported by case documentation. In addition to establishing correct exemption status for these cases, follow-up training, policy refreshers for staff, and continued monitoring are currently underway to ensure the correct application of policy related to this exemption.

Raising Texas

- The State Early Childhood Comprehensive Systems Initiative, **Raising Texas**, is a statewide collaborative effort to strengthen Texas' system of services for young children their families so that all children enter school healthy and ready to learn
- Through the collaborative partnership of nine state agencies, 16 community based agencies and 60 key stakeholders, a state plan has been developed to improve the current system of services for children from birth to age six

Raising Texas

- Vision: To achieve optimum development and well being for every Texas child beginning at birth
- Mission: To promote an effective, comprehensive seamless system that serves and supports families in areas of early child care and learning, mental health/social and emotional development, parent education, family support and access to Medical Homes
- Five Key Early Childhood Components
 - Access to Insurance and Medical Home
 - Social Emotional Development and Mental Health
 - Early Care and Education
 - Parent Education
 - Family Support

Current Status

- The Raising Texas initiative is supported through a five-year federal Maternal and Child Health grant that expires in August 2008
- Access to Insurance and Medical Home: Project Charter under consideration for the purposes of creating a cross agency public awareness campaign aimed at increasing the enrollment and health coverage of children age birth to six
- Cross-agency teams collaborated and partnered in the development of a Parent Guide (Developmental Calendar) for parents of newborns and young children to be disseminated through primary care providers to all newborns in the state
- Parent Education and Family Support: Development of a Parent Education Matrix outlining and identifying those parent education programs that have been proven to be effective