

**House Bill 3575**

**Health and Human Services  
Eligibility System Transition Plan**



**Health and Human Services Commission**

**February 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 the following goals:

- Increase the quality of and client access to services provided through the programs.
- Implement more efficient business processes that will reduce processing times for applications for program benefits and reduce staff workloads.
- Implement simplified application and enrollment processes for programs in a manner that is consistent with program goals established by the Legislature.
- Enhance the integrity of and reduce fraud in the programs and ensure compliance with applicable federal laws and rules.

As noted in the first installment of the transition plan that was released on October 15, 2007, the transformation of the eligibility system requires significant changes to the business process and to the automation that support 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 is periodically updating the plan to coincide with the schedule of the Eligibility System Legislative Oversight Committee. This is the first update to the plan and builds off of the history, next steps, and challenges laid out in the first installment.

## **NEXT STEPS**

### **TIERS Readiness**

HHSC continues to enhance the TIERS system and to prepare for future expansion. Enhancements to the TIERS system to add programs and to improve usability continue to be made. It is important to note that TIERS doesn't support a static eligibility process so it will never be a static system. The system must be adjusted to add new programs, comply with new state and federal requirements, or support changes to the business model. This means that development and maintenance of TIERS are ongoing efforts. For example, HHSC is currently evaluating additional improvements to address some key areas. This includes improvements to how household relationship information is captured in TIERS. HHSC is also working on ways to better align the benefit application with the flow of data collection within TIERS. Currently the paper application and the data collection work flow in TIERS are different. These differences can slow down the data entry process in TIERS when the eligibility worker has to search for the corresponding information on the paper application.

As noted in the previous report, there are two ways that cases are converted into TIERS. Cases can be added through geographic roll-outs or through addition of programs into TIERS. The next area targeted for geographic roll-out is the remainder of Region 7 (Central Texas). Conversions of Central Texas cases will occur over several months and will be rolled out in small segments of approximately 18,000 cases. Federal funding agencies have been invited to participate in the readiness review to determine when that

geographic roll-out will begin. In addition, the capability for determining CHIP eligibility is being programmed into TIERS. Programming is scheduled to be complete in Winter 2008/Spring 2009. Currently CHIP eligibility is supported by a vendor's proprietary software.

In October 2007, the State Auditor's Office released their audit report on TIERS. The audit found that the TIERS application supports the eligibility process with accurate eligibility determinations and benefit calculations.

The SAO recommended that HHSC ensure TIERS has the processing capacity and storage necessary to overcome its design issues and support the expansion of the system across the state. TIERS was built to be a scalable system designed to accommodate incremental growth. This allows additional data storage and other components to be added when needed. As the system continues to expand, HHSC is conducting thorough assessments of hardware requirements and acquisition activities, and will implement any necessary hardware before any major data conversions or roll-outs. A capacity plan has been developed.

The SAO recommended that HHSC assess the need for the more than 1,000 screens that can be encountered when determining client eligibility and identify ways to increase efficiencies. TIERS was designed to be a robust system with built-in safeguards. To ensure stricter adherence to state and federal policy requirements, TIERS collects twice as many data elements as SAVERR. 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 for a typical case, and a complex case might require up to 250 screens. HHSC is continually evaluating ways to improve the flow of the screens and to simplify the data entry process for caseworkers.

The SAO recommended that HHSC conduct user acceptance testing before it releases new versions of TIERS and document evidence of both the test and user approval. Before July 2007, user acceptance testing was the vendor's responsibility as part of the Texas Access Alliance contract, which included TIERS maintenance and development. HHSC staff would review the results of the testing performed by the vendor. In July 2007, the responsibility for user acceptance testing was taken back from the vendor. At that time, HHSC increased the staffing for this function from 8 to 25 positions. These staff are made up of technical as well as seasoned eligibility staff.

### **Increasing and Stabilizing the Workforce**

HHSC continues to take steps to stabilize the eligibility determination workforce and achieve a targeted staffing level of 7,136 in fiscal year 2008. This staffing level will reduce the workload per worker from an average of 849 recipients per worker in fiscal year 2007 to an average of 782 in fiscal year 2008. HHSC plans to utilize the flexibility provided in H.B. 1, 80th Legislature, to achieve this staffing level. The targeted staffing

level of 7,136 exceeds the 6,700 eligibility determination staff assumed in the base appropriation.

Since January 2007, HHSC has converted 2,000 temporary positions to regular status positions across the state to reduce workload and improve client services. The agency is actively posting and hiring regular-status, full-time positions across the state, and outreaching to retirees and former employees. Due to these efforts, the number of filled eligibility determination positions increased for the second month in a row in January 2008, for a total of 6,402. Since the beginning of fiscal year 2008, 800 new eligibility staff have been hired, and during this time period 676 staff left employment with the agency. While some progress has been made, achieving the desired staffing level continues to be a challenge.

As the chart below illustrates, progress has been made in reducing turnover rates. Statewide turnover rates fell almost 9 percent between fiscal years 2006 and 2007. Turnover varies greatly by region. In fiscal year 2007, the statewide average was 22.3 percent, but the El Paso Region had turnover of 10.4 percent, whereas Houston was at 28.6 percent.

<b>Region</b>	<b>FY 2006</b>	<b>FY 2007</b>
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%
<b>Totals</b>	<b>31.1%</b>	<b>22.3%</b>

In addition to the variations by region, there are significant differences in turnover between different types of eligibility staff. In fiscal year 2007, 22.2 percent of eligibility workers left employment with HHSC. Comparatively, 8.2 percent of supervisors left that year.

<b>Job Title</b>	<b>FY 2006</b>	<b>FY 2007</b>
Clerks	38.3%	23.5%
Eligibility Workers	28.8%	22.2%
Supervisors	23.5%	8.2%
<b>Totals</b>	<b>31.1%</b>	<b>22.3%</b>

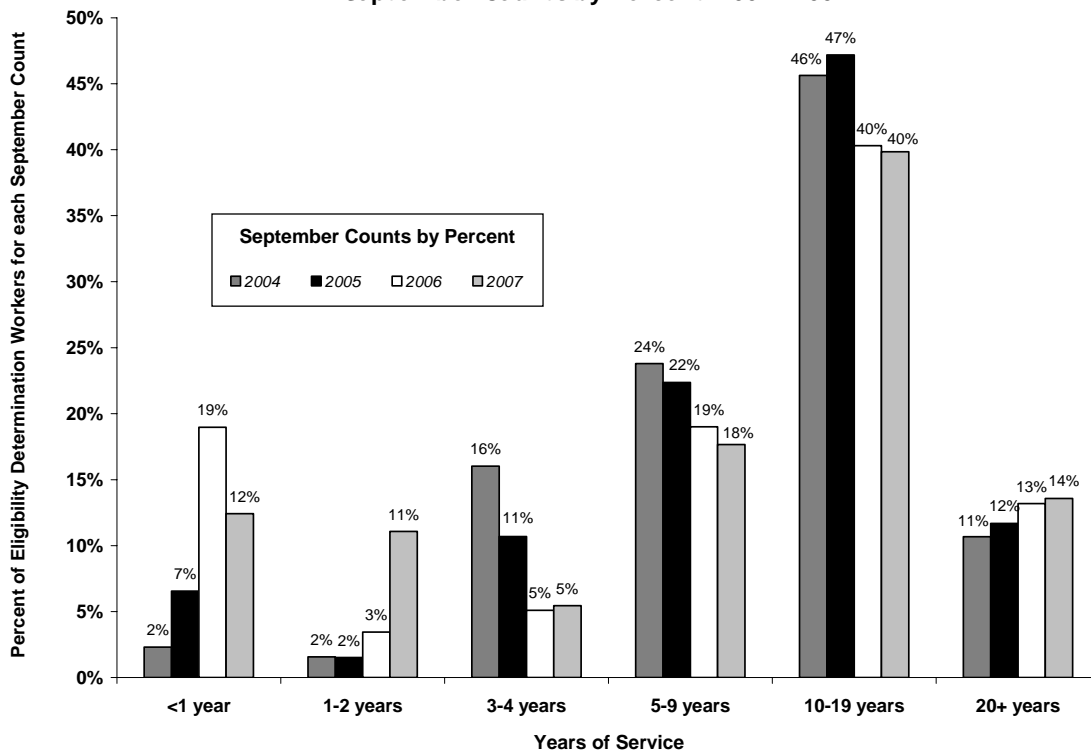
HHSC has been successful in improving the retention of eligibility supervisors. Due to the overtime occurring in the regions, eligibility workers were sometimes drawing

paychecks of greater amounts than their supervisors' salaries. In fiscal year 2007, all supervisor positions were reclassified and the most experienced supervisors were awarded merit increases. These actions were taken to retain supervisors and encourage more tenured and knowledgeable eligibility workers to apply for supervisory positions. These efforts have helped secure an additional 53 supervisors since December 2006, and the turnover rate for supervisors was reduced from 23.5 percent in fiscal year 2006 to 8.2 percent in fiscal year 2007. This 8 percent turnover rate is consistent with historical rates for supervisors. To encourage further retention, HHSC established supervisory and management training programs in December 2007, to strengthen skills and to provide efficient management tools to all eligibility supervisors and managers.

	<u>December 2006</u>	<u>December 2007</u>
Supervisors	325	378
Supervisor Vacancies	125	72

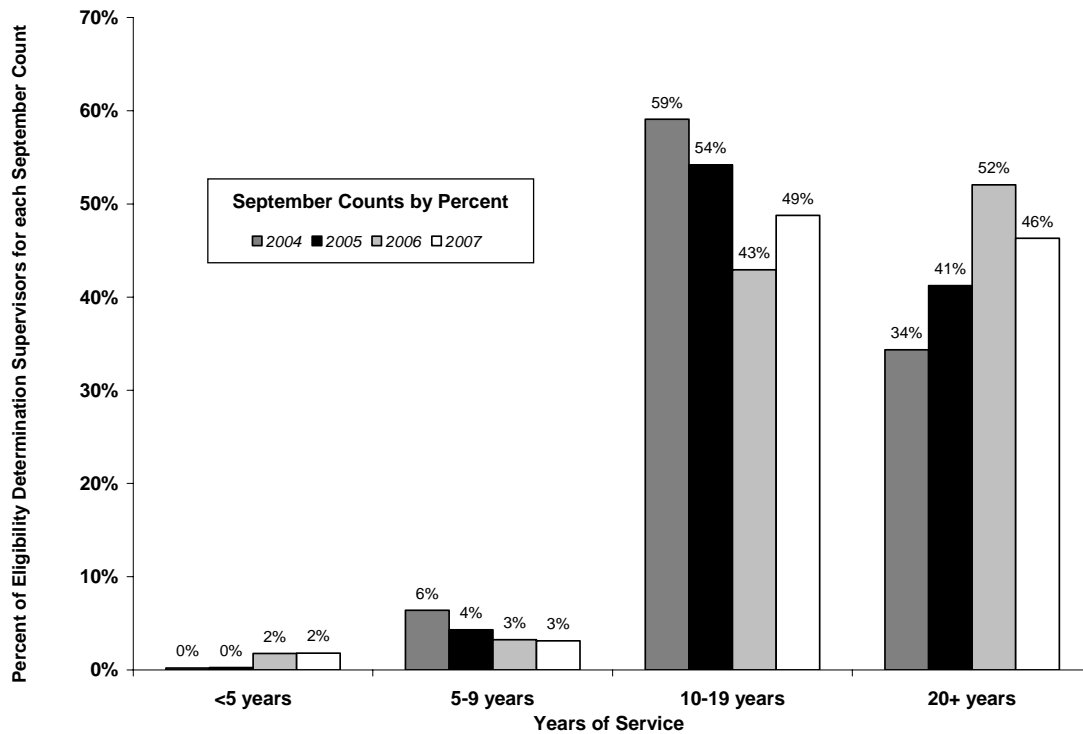
High turnover rates have also resulted in a less tenured workforce. A primary factor that contributed to the turnover in fiscal year 2006 was the anticipated reduction in staffing levels. In 2004, only 4 percent of eligibility determination workers had less than three years' experience. In 2007, 23 percent of the workers had less than three years' experience. Supervisors with five or more years of experience accounted for 81 percent of all supervisors in 2004 and 72 percent in 2007.

**Eligibility Determination Workers, Years of Service  
September Counts by Percent: 2004 - 2007**



Note: years of service represents all years of state service

**Eligibility Determination Supervisors, Years of Service  
September Counts by Percent: 2004 - 2007**



*Note: years of service represents all years of state service*

Increases in turnover and reductions in tenure impact productivity. Initially new workers are not able to process as many cases as tenured staff. In addition, following training, new eligibility staff have all of their cases reviewed to ensure that policy is being correctly applied and that benefits are being determined accurately.

To reach the targeted staffing levels, HHSC is taking a number of steps:

- Posting all new jobs as regular status, full-time positions.
- Keeping the eligibility positions continuously posted and employing a “hire ahead” strategy to ensure that positions are filled ahead of anticipated losses. Prior to implementing this strategy, an average of four months elapsed between the date the position was vacated to the date the new hire was trained and available to work cases (one month to hire and three months to train). The “hire ahead” strategy is expected to have the most impact in areas with the highest attrition and workload.
- Partnering with local employment resources to increase applicant pools and facilitate the hiring process. Partnerships with local employment agencies such as workforce boards have leveraged additional recruiting, screening, interviewing, and other hiring assistance support. This partnership has been helpful in reaching large numbers of qualified applicants, as was the case in the Houston region when more than 300 applications were received for 222 vacant eligibility staff positions.
- Adjusting business processes to assign work to areas with qualified applicant pools and stronger retention patterns. For example, Children’s Medicaid workload was

originally centralized in the Austin Customer Care Center. Due to a 68.4 percent employee attrition rate in this unit during the last half of fiscal year 2007, staffing levels were increased and new hire positions have been shifted to the San Antonio, Midland, and Athens Customer Care Centers where staffing levels tend to be more stable.

To help increase retention and improve recruitment efforts, HHSC is also assessing ways to improve the compensation for eligibility workers. Currently, an entry level worker is paid an average salary of \$2,177 per month.

### **Procurement Strategy and Schedule**

On November 2, 2007, HHSC released draft Requests for Proposals (RFPs) for Eligibility Support Services and Document Processing Services, and accepted comments through December 31, 2007. Comments were received for both draft RFPs, and in response to those comments HHSC is making changes to clarify the requirements, supplement the documentation available in the procurement library, and provide specific information related to technology and operations. There has been significant interest from the vendor community in the procurement.

Approval from federal funding partners must be obtained before moving forward with releasing the RFP. HHSC met with the U.S. Department of Agriculture, Food and Nutrition Services (FNS) to discuss the RFPs in January 2008. The RFPs will be posted after comments from federal funding partners are received and revisions are completed. The previous plan reported the final release of the RFP in January 2008; a revised date for the release has not been determined.

## **NEW ACTIVITIES**

### **Application Redesign**

In September 2007, HHSC formed an internal workgroup to review, gather stakeholder input, and make recommendations to simplify the application process for clients. The workgroup reviewed the current applications to identify information or questions that may be eliminated, simplified, or combined based on current policies. These efforts have focused on the combined application (Form 1010-E) that allows applicants to apply for the Medicaid, Children's Health Insurance, Food Stamp and TANF programs in a single application.

The workgroup received stakeholder input on the combined application in December 2007 through a request for comments and a public webcast. Additional stakeholder input will be requested as the workgroup moves forward with the redesign. In conjunction with these efforts, the renewal process will also be examined to identify potential improvements and simplifications.

## TRANSITION CHALLENGES

### Local Office Telephone Systems

As noted in the previous report, state eligibility staff increasingly are relying on telephone interviews for clients with hardship cases and application recertifications. As a result, telephone systems in the local eligibility offices have become a major access point for clients. Capacity limitations of antiquated telephone systems have made client access difficult. HHSC requested federal approval to replace these phone systems. Approval has been received and a roll-out has been scheduled for March – June 2008 to replace phone systems in twenty-six offices with high workload and client volumes. The systems will support more than 1,400 eligibility staff.

### Operating Two Eligibility Systems

As noted in the first version of the transition report, operating and maintaining two eligibility systems places operational stresses on clients and eligibility staff:

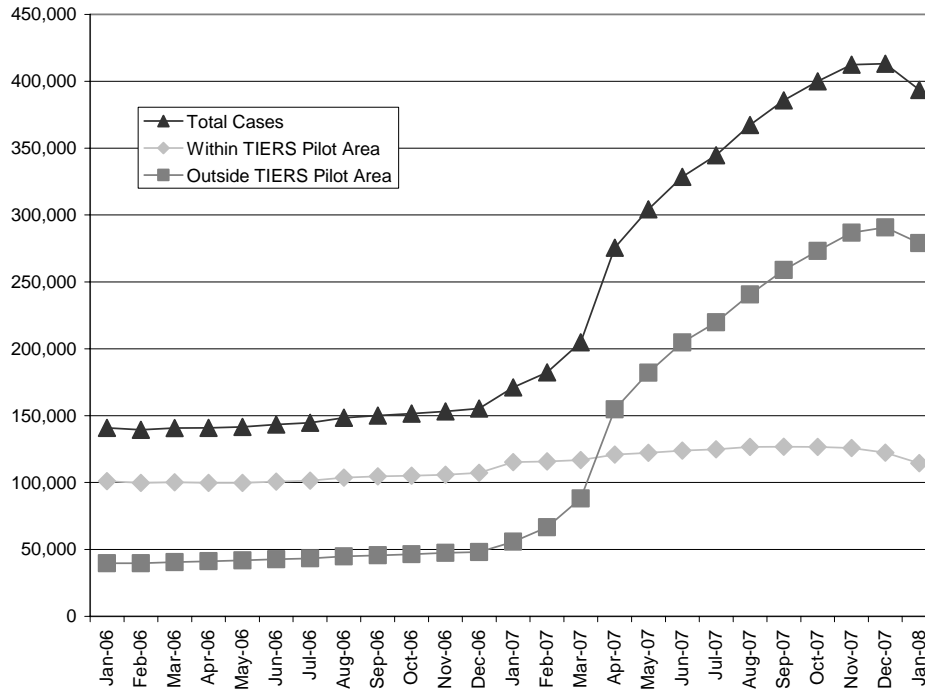
- System and policy changes are required in both systems.
- Training must be developed and delivered to support both systems.
- Scheduling TIERS clients in offices outside of the TIERS pilot area requires staff to be proficient in both systems.

No additional geographic areas have been converted to TIERS since November 2006 when Williamson County was added to the pilot area. Two factors have resulted in the growth in TIERS cases outside of the three pilot counties. First, as clients move from the pilot area to other areas of the state, their cases remain in TIERS. Second, as new programs are created and added an assessment needs to be done about whether to incur programming costs to add them in both systems. In 2005, HHSC anticipated the roll-out of TIERS statewide to occur in the near future, and the Legislature created two new programs – the Foster Care Medical Model and the Women’s Health Program. Based on the information available at that time, the best business decision was to add both programs only to TIERS. Not only did this avoid the cost of programming changes in SAVERR, a system that was about to be obsolete, but TIERS was the only eligibility system that could support the electronic interchange of data that is integral to the success of both programs.

When a client applies for the Women’s Health Program, the case is worked in TIERS. Since TIERS is an integrated system that determines eligibility for the household, any Food Stamp, Medicaid, or TANF cases in the household also convert over to TIERS. As depicted in the chart below, this has dramatically changed the TIERS case-mix. In January 2007, when the Women’s Health Program was launched, 69 percent of TIERS cases were in the pilot area. In January 2008, 29 percent of TIERS cases were in the pilot area. During this timeframe the total number of cases in TIERS has increased by 130 percent.



### 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.

When the Women’s Health Program was initially programmed into TIERS it was anticipated that a statewide roll-out of the system would follow the program launch and would result in large numbers of TIERS trained caseworkers around the state ready to serve these clients. With the delay of the roll-out, the TIERS cases outside of the pilot area have been worked by centralized units of TIERS trained staff. In addition, as reported in the last transition plan, TIERS workers are being trained to serve clients in offices throughout the state.

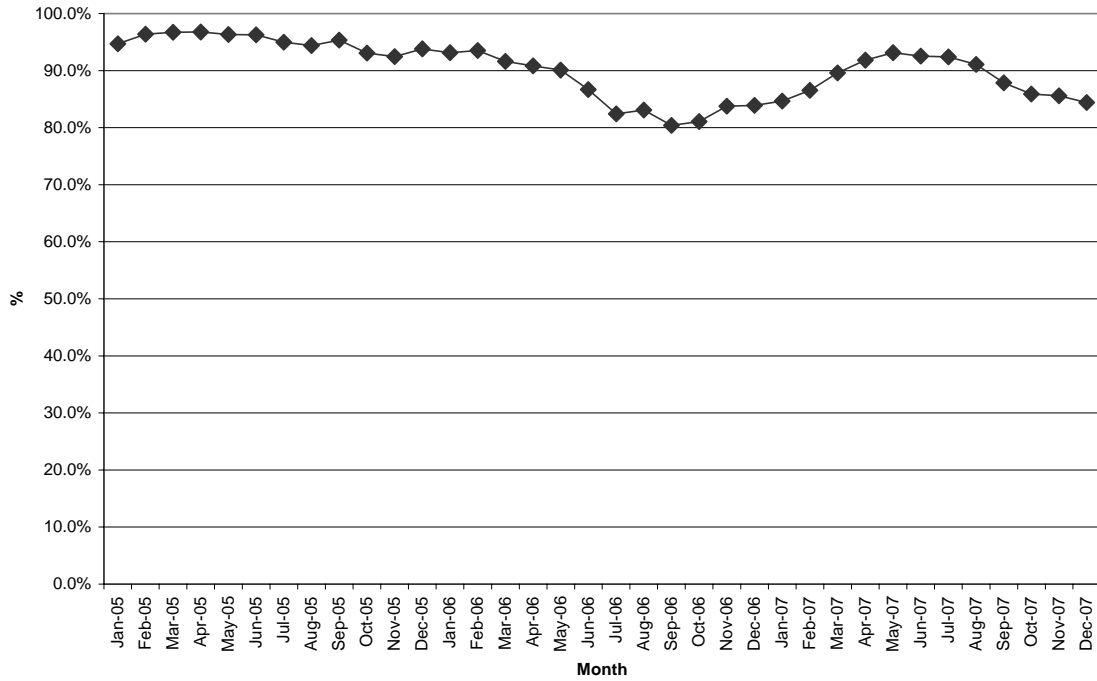
### Timeliness

The Food and Nutrition Service has established standards for the Food Stamp Program requiring client applications to be processed within 30 days of receipt. For clients meeting the criteria for expedited Food Stamp benefits, the federal standard for processing those cases is 7 days, but Texas law requires expedited Food Stamp benefits to be issued within 24 hours of application receipt. For recertifications to be handled within federal timeframes, renewal forms received by the 15th of the last month of certification must be processed by the last day in that month. If forms are received after that date, a 30-day timeframe applies. Federal standards require that 95 percent of all applications received must be processed within the established time periods.

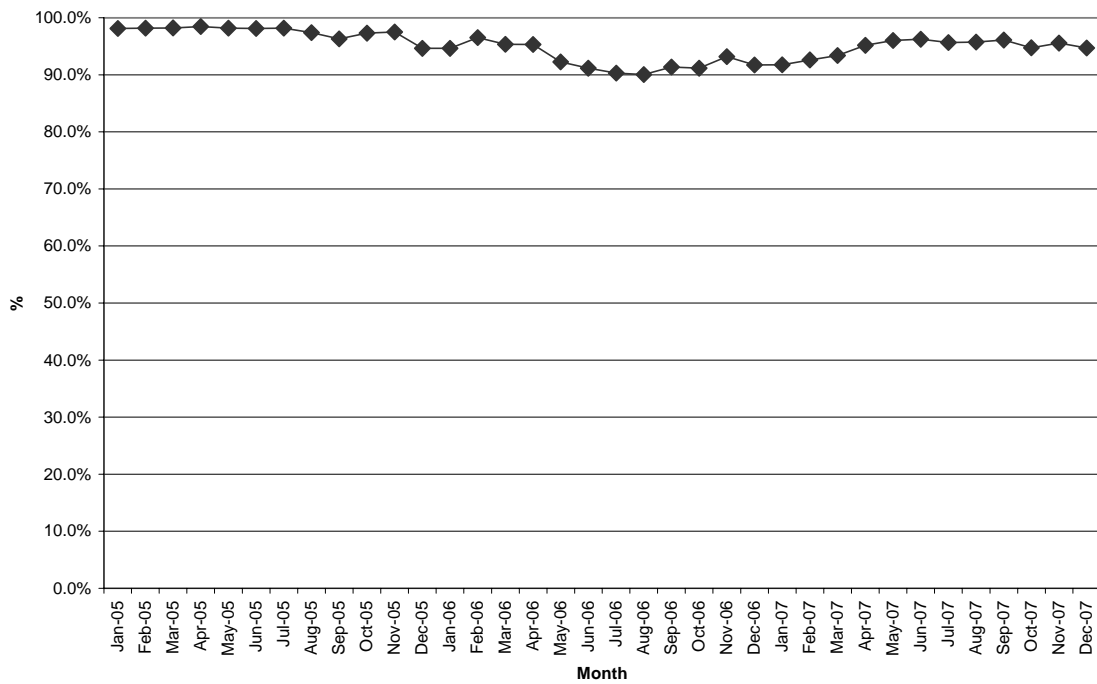
As noted in the October release of the transition plan, HHSC has been below federal standards for timeliness. Achieving timeliness continues to be a challenge. In

December 2007, 84.4 percent of Food Stamp applications were completed within 30 days. In December 2007, 94.7 percent of Food Stamp recertifications were processed within allowable federal timeframes.

**Statewide Percentage of Food Stamp Applications Completed within 30 Days**



**Statewide Percentage of Food Stamp Recertifications Completed within 30 Days**

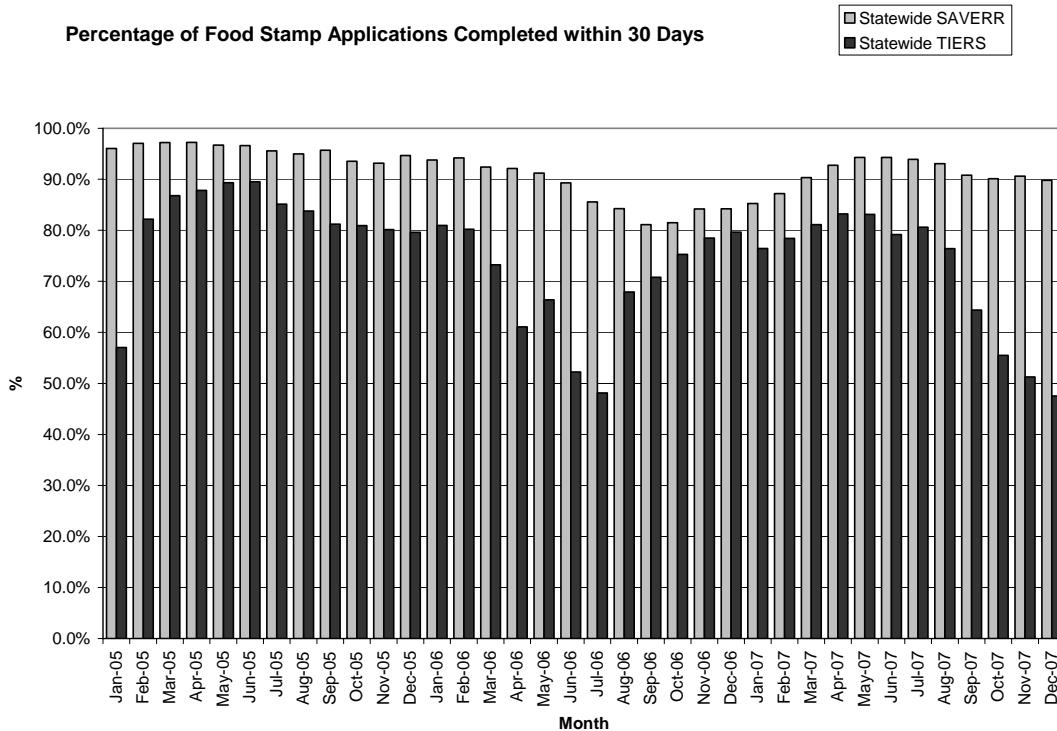


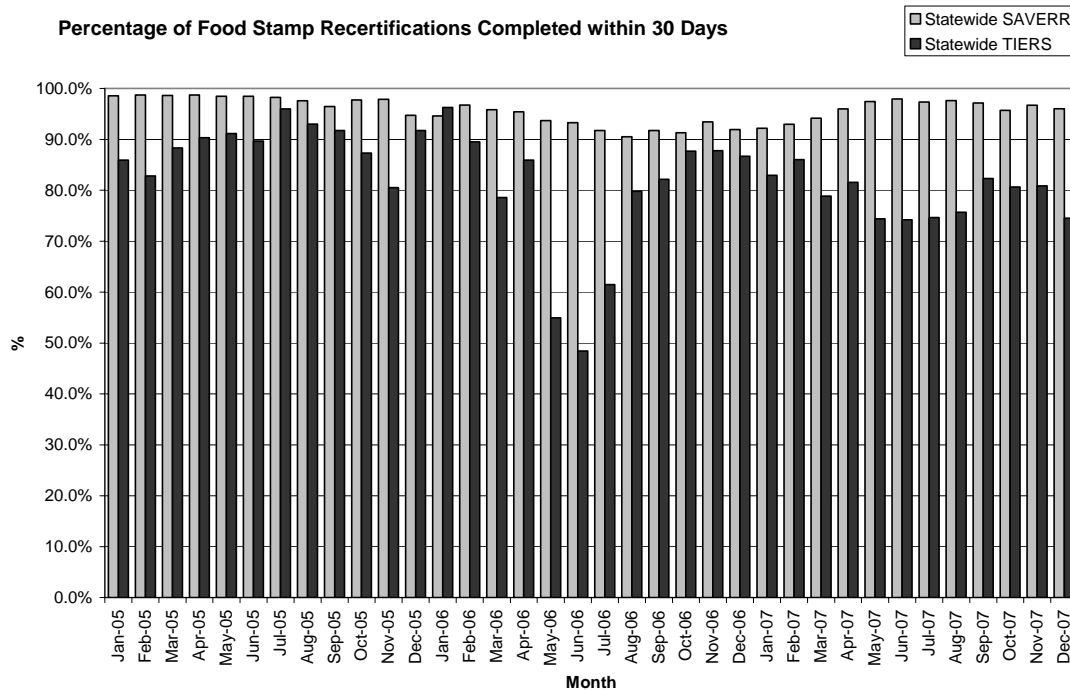
Timeliness varies by geographic location. The Dallas-Fort Worth, Houston, and Austin regions' timeliness levels are generally lower than the other regions of the state. These three metropolitan areas have diverse economies and robust job markets that make attracting and retaining staff difficult.

Comparing cases processed in SAVERR with cases processed in TIERS reveals a difference in timeliness. This difference has increased over the past few months. Part of the difference can be explained by system design. TIERS is a more robust system designed to increase program integrity, and therefore case documentation not captured in SAVERR is required in TIERS. In addition, as an integrated eligibility system, more information is captured on the household so that eligibility across programs can be determined.

As the graphs below indicate, in mid-2005, after the TIERS pilot was launched and had stabilized, cases processed in TIERS achieved timeliness nearly 90 percent of the time. Furthermore, recertifications processed in TIERS have met or exceeded federal standards at various points in the past. This indicates that system performance and design are not primary factors in the difference in timeliness between the two systems.

The large growth in TIERS caseloads due to the addition of the Women's Health Program and the Foster Care Medical Model outpaced the availability of TIERS trained staff. In March 2007 there were approximately 88,000 cases in TIERS that were outside of the pilot area. By June 2007, three months later, those cases had more than doubled to over 204,000.





To resolve this problem, there has been an intensive effort to increase the number of TIERS trained staff. Since July 2007, a total of 1,422 eligibility staff has completed the TIERS user training. HHSC plans to train approximately 2,000 additional staff in TIERS in the next six months. New hires are being trained in TIERS to meet the caseload demand.

To help accommodate the increased training needs, the fiscal year 2008 – 2009 appropriation allowed HHSC to strengthen our training capacity to help support eligibility workers. HHSC has added 36 additional trainers and 17 curriculum development staff. These staff support training on TIERS, workload management skills, and eligibility policy.

Increasing the number of TIERS trained eligibility workers will not resolve the timeliness issues in the short term. As eligibility staff learn the new system, their proficiency is not as high as that of an experienced worker. In addition to focusing on increasing the number of workers available to process TIERS cases to reduce the workload in the local offices, HHSC is in discussions with FNS about a possible waiver to temporarily extend certification periods for streamlined reporting households. Streamlined reporting households:

- Do not have any adults subject to work requirements.
- Do not expect changes that would make them ineligible in the next six months.
- Only have to report change in residence or if income exceeds 130 percent of the federal poverty income limit.

These households currently have 6 month certification periods, and comprise 67 percent of the total Food Stamp caseload. Federal regulations allow a 12 month certification period for streamlined reporting households, but require an interim report at 6 months. The waiver requests an extension to 12 months, without requiring an interview or interim report at 6 months. This extension would be in place for 6 months. On a monthly basis, streamlined reporting households represent 75-85 percent of the recertification actions processed in the local office. Temporarily extending these certification periods would provide workload relief while we are hiring and training new staff, and improving productivity by increasing program and TIERS expertise.