



S.B. 1 MUST PROTECT PROGRESS IN REBUILDING ELIGIBILITY SYSTEM

I am Celia Hagert, a senior policy analyst with the Center for Public Policy Priorities. My testimony is focused on the need to provide adequate funding to support HHSC's eligibility system (Strategy A.1.2) and DSHS WIC/Farmer's Market Nutrition Svcs (B.1.1). Thank you for the opportunity to provide these comments today.

Adequate Support for HHSC Eligibility System is Critical to Sustain Progress, Prepare for Health Care Reform

I'd like to begin by commending Executive Commissioner Suehs and the staff of the Health and Human Services Commission for the significant progress they have made in improving the performance of the eligibility and enrollment system over the last year. This progress is the result of Commissioner Suehs' exceptional leadership and

Why This is Important

- The Texas eligibility system delivers over \$25.7 billion in benefits annually.
- More than 6.4 million needy Texans rely in these services.
- When our eligibility system fails, Texas loses out on billions of federal dollars that fuel our state and local economies—particularly during a recession when unemployment has risen and consumer spending has dropped.

the willingness of the Legislature to give the commission additional resources for frontline staff. In addition, with the Legislature's approval, Commissioner Suehs has made a number of policy and procedural changes that have increased efficiency and improved access to services.

We also want to highlight the significant progress Commissioner Suehs has made in rolling out TIERS, the computer system that supports eligibility determination. We have followed the TIERS project since its inception and have had numerous concerns over the years about its ability to support the eligibility system. However, recent rollouts to Lubbock, El Paso and other areas of the state have gone smoothly and without any serious disruptions in services. Finally, we want to recognize the hard work and dedication of HHSC's frontline staff who have worked countless hours of overtime to ensure needy Texans get help. Without their efforts, the progress HHSC has made would not have been possible.

Sustaining these improvements will be challenging, given the projected growth in caseloads and the Medicaid expansion that will occur in 2014 when health care reform is implemented. However, what Commissioner

Suehs and his staff have demonstrated is that with strong leadership and sufficient resources, Texas can have a functioning eligibility system. Eighteen months ago, Texas faced corrective action and a federal lawsuit. Tens of thousands of families faced long delays in getting badly needed services each month. The rate of error in eligibility determinations was so high the federal government imposed a financial penalty. Today, HHSC is for the most part meeting federal timeliness and accuracy standards and Texas is actually serving as a model for other states facing similar challenges.

Unfortunately, it is unlikely that S.B.1 includes sufficient funding for Commissioner Suehs to sustain and build upon this progress. You will note that:

- HHSC is asking the Legislature to provide **\$60.3 million in General Revenue for eligibility support services and 93 additional FTEs** (Priority Items #4 and #5).
- In contrast, HHSC's LAR requested **\$119.3 million in GR and 1,547 additional staff**.

Clearly, HHSC recognizes the budget crisis facing the Legislature and is attempting to curtail their staffing needs by looking for ways increase efficiency, control costs, and minimize the need for extra staff. The Legislature can support this goal and HHSC's efforts to sustain and build on the progress made in rebuilding the eligibility system by:

- **Funding HHSC Priority Items #4 and 5;**
- **Ensuring that Commissioner Suehs the authority and flexibility to make needed changes improve efficiency and increase access to services.** In particular, we urge your support of policy simplifications that reduce the paperwork burden for clients and staff, reduce local office traffic, and make policies consistent across programs whenever possible; and, because it is unlikely that these changes alone will make up for insufficient staffing,
- **Giving HHSC the flexibility to transfer funds from another strategy during the biennium to increase staff if needed to maintain services.**

Without sufficient resources, the performance of the eligibility system will deteriorate, and Texas will lose out on billions of federal funds that are critical to the health and well-being of our state's residents and economy. Moreover, the eligibility system will be unprepared to accommodate the nearly two million Texas expects to enroll in Medicaid in 2014 as a result of national health care reform.

S.B. 1 Should Fund GR Match for WIC Farmer’s Markets, Support Efforts to Increase WIC Participation

S.B. 1 does not include the \$854,048 in General Revenue match for the WIC Farmer’s Market Nutrition Program (Strategy B.1.1), which will eliminate the program and result in the loss of over \$1.2 million in federal funding for farmer’s market purchases by WIC recipients. Over the last biennium, approximately 367,000 WIC recipients received vouchers for use at farmer’s markets in 32 counties. The elimination of this program undermines Texas’ support of local farmers and efforts to fight obesity by increasing access to and the consumption of fresh fruits and vegetables.

- **We urge the Legislature to restore the \$854,048 that supports the WIC Farmer’s Market Nutrition Program.**

We also urge you to support efforts by DSHS to increase WIC participation. WIC is a critical tool in Texas’ arsenal to reduce child obesity and improve birth outcomes. Though Texas WIC participation went up in fiscal 2009, based on the most recent data available, WIC participation is now declining, falling 2.9% from October 2009 to October 2010. Texas could take important steps to reach more needy and nutritionally at-risk woman and children through the WIC Program by:

- **Adopting and vigorously promoting the new one-year WIC eligibility option for children enacted by Congress last year.** Texas should adopt the new option to double the length of time children can receive WIC benefits to support good nutrition for children and bring more children into WIC. The new law (Healthy, Hunger Free Kids Act) allows state WIC agencies to certify children for up to one year rather than the current six-month limit. This will increase WIC participation by reducing the burden on parents to bring children in every six months. Currently, Texas WIC misses 158,000 low-income eligible children who could benefit from WIC services. Adopting and vigorously promoting the new one-year eligibility option for children will help Texas reach all eligible children.
- **Allowing WIC participants the option to add cash to their fruit and vegetable vouchers purchases.** Texas should allow WIC participants the option to add cash to their fruit and vegetable voucher purchases when checking out at the grocery store so that they can fully maximize their WIC benefits. Without this option, commonly known as “split tender,” participants often must limit fruit and vegetable purchases to less than the full value of their vouchers. This reduces the real value of the benefits and unnecessarily diminishes the ability of the new WIC food packages to increase fruit and vegetable consumption and support good health. The majority of states allow “split tender,” demonstrating that it is feasible. This “split tender” option is

crucial because it can help WIC participants maximize the value of their vouchers and minimize time-consuming and potentially embarrassing exchanges at the cash register. For this reason, we recommend that the WIC state agency make this common sense change to maximize this benefit and the overall attractiveness of the program.

Texas Must Balance the Budget in a Balanced Way

We acknowledge that you face many challenges in the months to come. But the Legislature cannot begin to set priorities or make decisions about state spending until all available options for balancing the budget are on the table, including spending the Rainy Day Fund and exploring options to increase revenue. A responsible family facing a budget crisis uses its savings to make ends meet before telling its children—you can't eat today, or you can't go to school, or you can't go to the doctor when you're sick. A responsible family then explores all possible avenues for replacing lost income. Texas must behave responsibly and balanced the budget in a balanced way.