

## Recommendations

### I. Eligibility System Transition Plan

- A. Developed by the Commission with public hearings held
- B. Eligibility System (including TIERS, IE and SAVERR) as of September 1, 2007 is transformed and enhanced to be more fully functional
- C. Submitted by June 19, 2007
- D. The plan must be made available to the public.
- E. The transition plan should include:
  - 1. Timetable for the plan to meet specific goals.
    - a. Improve access to services by simplifying the application process and program rules in a manner that is consistent with program integrity goals.
    - b. Take full advantage of available technology and develop more efficient business processes to improve efficiencies and effectiveness with the goal of reducing application processing times and staff workload.
    - c. Enhance program integrity.
  - 2. Describe the Commission's responsibilities in developing an enhanced eligibility system
  - 3. Describe the responsibilities and role of contractors before and after September 1, 2007 in making the transition and implementing the enhanced eligibility system, including emergency, interim and long-term contracts.
  - 4. Benchmarks and performance measures along with the timetable to facilitate the oversight committee in its ability to gauge the progress of the system.
  - 5. Determines the most cost efficient approach to taxpayers in developing an enhanced eligibility system either through the private industry or state employees.

### II. Eligibility System Review during Transition Period

- A. Independent validation and verification program for the eligibility system during the transition plan to reach full functionality.
  - 1. processes application in accordance with federal timeliness standards.
  - 2. makes accurate determinations of eligibility and issues benefits in compliance with state and federal laws, including but not limited to:
    - a. is in compliance with state and federal civil rights laws related to equal accommodation for persons protected by the Americans with Disabilities Act, Section 504 of the Civil Rights Act, and the Food Stamp Act [7 USC Sec. 2020 (c)]
    - b. has the functionality necessary to monitor compliance with these laws.

4. has the functionality necessary to enable timely processing of claims for overpayments due to fraud and error.
  5. Further rollout of TIERS and the Integrated Eligibility and Enrollment system is halted during this period, until all standards and goals, as self established by the commission in the plan and federal requirements are met in order to become an "Enhanced Eligibility System."
- B. The program must provide:
1. whether the goals set in the transition plan are met in a timely manner as set by the timetable
  2. whether the eligibility system is progressing toward becoming fully functional.
  3. identify further actions to achieve full functionality of the eligibility system.
- C. Commission's office inspector general may contract with a person to perform the validation and verification of the program as required.
- D. Quality Assurance team, as established by Section 2054.158, Government Code will establish a schedule to periodically monitor the eligibility system during the transition
- E. Commissioner's office of inspector general and the quality assurance team must share information to fulfill their duties.
- F. Rigorousness of Contract Process and Vendor Selection
1. HHSC should solicit a third party procurement specialist to validate any large-scale contracts, in order to:
    - a. reduce the risk of premature renegotiations.
    - b. ensure financial responsibility with taxpayer dollars by providing expertise to the ratio of price to service level.
  2. Contractor chosen through a competitive bidding procurement process should be given opportunities to offer expertise to HHSC in benchmark developments and reporting significant setbacks, which threaten the functionality of the system.
- G. Staffing Analysis: Staffing Requirements and Scope of Services
1. HHSC is charged with developing and performing a thorough in-house staffing analysis, including state and contractor staff.
  2. establish the necessary staffing numbers and needs to reach or exceed full functionality and ensure that there will be no gap in services.
  3. staffing analyses should be concluded before expansion of TIERS and IE may proceed.
  4. As required in reaching full functionality the staffing analysis should include:
    - A. the staff needed to comply with federal and state program access (timeliness, expedited food stamp services, seamless transfers of children between CHIP and Children's Medicaid).

- B. the staff needed to comply with performance standards and benchmarks established by the commission.
  - C. workload per worker measures necessary to achieve the above standards (caseloads).
  - D. establish clear standards defining division of labor for workers (contractor/state).
5. Subsequent staffing analyses should be required if HHSC projects will reduce workloads and result in overall staffing reductions or a reduction in knowledgeable staff.
    - a. HHSC should provide a detailed rationale for how such reductions in workload will be achieved, along with a plan for testing these assumptions.
    - b. HHSC should refrain from making any reductions in staff until staffing levels in the new system are determined adequate to achieve the performance measures included in the staffing analysis.
  6. Limit the use of contract staff in the application process or eligibility decision-making to standardized tasks such as application intake (i.e., helping an applicant provide the basic information needed to start an application for benefits), document scanning and processing, and other mail center functions.
  7. If, contract staff are utilized in the eligibility system process, HHSC should provide a detailed plan of how contract staff will be trained and monitored to ensure a high level of performance. The analysis is to include expected pay and minimum qualifications for contract staff, and how the work of state and contract staff will be coordinated to ensure a seamless and accessible system for applicants and clients.
  8. Management functions of services should remain with policy knowledgeable state workers to ensure that the most efficient and adequate services are provided to the recipients of these benefits.

### III. Enhanced Eligibility System as Major Information Resources Project

- A. Identify system as a Major Information Resources Project
- B. Identify it as such on the state agency's biennial operating plan

### IV. Legislative Oversight Committee

- A. Support the commission's implementation of the enhanced eligibility system to minimize any negative impact of the implementation on the delivery health and human services and to improve the delivery of health and human services by the state.
- B. Committee Composite (9 members):
  1. Presiding Officer of the Senate Health and Human Services Committee
  2. Presiding Officer of the House Human Services Committee
  3. Two members of the senate, appointed by the lieutenant governor

4. Two members of the house, appointed by the speaker
  5. An additional member appointed by the Governor
  7. Executive commissioner serves as an ex officio member
  8. Public member with relevant expertise in the delivery of health and human services to clients
  9. Public member with relevant expertise in the use of technology to improve the delivery of services to client.
- C. Additional requirements: Joint presiding officers
- D. Duties of the Committee
1. Conduct a hearing at least once every four months
  2. Review information in regards to the transition plan, the progress made in implementing the plan and determining whether the eligibility system is progressing toward achieving "full functionality."
  3. Review recommendations of all involved parties (HHSC, OIG and quality assurance team) to make all components of the system functional
  4. Provide recommendations to the legislature not later than December 1, 2008 regarding any legislative action necessary to support the implementation of the enhanced eligibility system that minimizes negative impact
  5. After implementation of the enhanced eligibility system, monitor and regularly report effectiveness and efficiency of the system.

VI. Independent Audit: An audit of HHSC services, which included TIERS and IE, conducted by KPMG found that the system is lacking appropriate technology design at the database level to properly meet material compliance and improve system weaknesses.

- A. HHSC was able to provide comments and edits to soften and/or eliminate findings of the audit. Therefore, the Subcommittee recommends the need to conduct an independent audit of TIERS and IEE programs before expansion.
- B. The Legislative Oversight Committee will be able to review any initial drafts of the audit before edits are suggested by HHSC.
- C. The independent audit is required to evaluate and assess:
  1. the functionality and capacity of TIERS to serve as the sole computer system for CHIP, Medicaid, Food Stamps, and TANF for the entire state,
  2. the usability of TIERS by staff and HHSC vendor partners,
  3. the ability of TIERS to determine eligibility in compliance with state and federal laws.
  4. the ability of TIERS to process reports in compliance with state and federal laws.

5. the progress toward resolving the major concerns raised by HHSC's OIG, USDA, USDA's technical consultant, Booz Allen, and KPMG.
- D. The results of this audit should be used by the oversight committee and HHSC when determining recommendations to the Legislature in regards to expansion and progress of TIERS in a fiscally responsible manner that ensures that there will be continuous coverage available to all eligible recipients.