

HHSC Reviews Policies, Contractor Performance

May 2006

The Texas Health and Human Services Commission (HHSC) began implementing a new eligibility system in four pilot offices in January 2006. Several components of the system – including call centers, enrollment broker operations and TIERS maintenance – are operated under a contract with the Texas Access Alliance (TAA). In addition, TAA also began handling applications and enrollment for the state's Children's Health Insurance Program (CHIP) in November 2005.

An evaluation of the new eligibility system at the pilot offices and of CHIP operations identified several areas where improvements must be made. A synopsis of HHSC's actions to ensure better performance follows.

Children's Health Insurance Program (CHIP)

When HHSC changed CHIP contractors, the agency also implemented new policies for the program, including a requirement that families provide proof of their income each time they renew their coverage. Since the re-enrollment policy changed, CHIP enrollment has declined. To learn more about the reasons behind the decline, HHSC engaged the Institute of Child Health Policy to survey families and began a rigorous review of vendor operations and agency policies.

Review of vendor operations

State quality assurance staff pull CHIP case files at random to review how the cases were handled. This team checks the applications to see if requests for additional information were appropriate and verifies that policies were applied correctly and meet the state's timeliness standards. State staff also monitor calls at random to ensure that the information provided to callers is accurate.

In addition, the Office of Inspector General is reviewing CHIP processing and vendor operations. HHSC also has engaged Science Applications International Corporation (SAIC) as an independent verification and validation contractor. SAIC reviewed the receipt of application process from end-to-end and is assisting in the review of other CHIP processes.

CHIP policy reviews and changes

Based on HHSC's quality assurance findings and a comprehensive review of CHIP policies and procedures, the agency approved changes in two key areas – ensuring that the missing information requested from families is essential for eligibility determination and that families have enough time to meet new documentation requirements. Specific changes include:

- Addition of a one-month grace period to allow families approved for coverage more time to pay the enrollment fee.
- Adjustment of program timelines to give families more time to provide any missing information and pay the enrollment fee.
- Allowing vendor staff to use other records, if available, to verify a family's income even when the family does not submit proof of income. If the vendor can verify income through an independent source, the verification can substitute for a paycheck stub or other documentation in the case file.

- Provision of CHIP coverage for applicants who may qualify for Medicaid but have not yet completed the application process for that program. Once the child completes the Medicaid process, the CHIP coverage will be discontinued.
- Allowing the vendor to accept information on assets by phone if someone sends in an application or renewal form that did not include that information.

Vendor actions to improve performance

HHSC directed TAA to take a number of actions to improve the performance of its CHIP operations. These include:

- CHIP management was changed, and now includes key individuals who were part of the start up of the Texas CHIP program in 1999-2000.
- New staff training on income processing addressed errors found by the state's quality assurance reviews.
- Call center representatives are getting more training to ensure better accuracy of information provided to clients by call center representatives.
- Quality review on all letters to clients is now stronger.
- A new review process results in more accurate enrollment files for health plans and to the community-based organizations under contract with the state for outreach.

Survey by Institute of Child Health Policy

HHSC engaged the Institute for Child Health Policy to survey 1,800 families who recently were up for re-enrollment in CHIP or Children's Medicaid. The full survey is expected to be available in late May. In April, HHSC released partial survey results based on interviews with 280 families who recently were disenrolled from CHIP:

- One-third of the disenrolled families said their children currently have insurance coverage, either through employers, Medicaid or privately purchased policies.
- 84 percent recall receiving a renewal packet, and 86 percent recall receiving one or more letters about their renewal.
- 80 percent said the materials were helpful and more than 90 percent found the materials easy to understand.
- 88 percent agreed that the program made the renewal forms easy to fill out.
- 63 percent said they were told their packets had missing information. Of those, 88 percent said they responded by providing the information requested.

Some of the percentages could change when the complete results are released in May.

Other state actions

HHSC is revising all CHIP letters and materials to make them easier to understand. The agency also launched a \$3 million outreach campaign in May with statewide radio ads, new brochures, billboards and transit advertising. HHSC is working with the Department of Information Resources to determine the feasibility of accepting credit card payments for CHIP enrollment fees through Texas Online.

Integrated Eligibility and Enrollment System

HHSC announced in April that the pilot in Travis and Hays counties would be extended and that further rollout of the new eligibility system would be delayed until technical and operational improvements are made. The agency has taken several actions to improve performance of the new system:

- State staff are positioned with customer service representatives in the Midland call center to ensure that callers receive accurate information.
- HHSC suspended sending new cases from the pilot area to the San Antonio call center until the system there is improved. The call center relies too heavily on manual data entry and is unable to process cases quickly enough. In addition, this system does not allow for sufficient reporting about the status of cases.
- State staff assumed responsibility for training call center staff and new training has been developed after a state review found that call center staff were not equipped to handle some types of questions.
- Customer services representatives are receiving additional system training. HHSC found that the representatives often are unable to conduct thorough records searches, leading them to tell callers that applications or information could not be located even though the information already had been entered into the system.
- HHSC directed changes in the management of the Midland and San Antonio call centers and required TAA to implement corrective actions for those facilities.

Improvements made in key area

Significant improvement has been made in several areas:

- In April, the average abandonment rate was less than 4 percent and hold times averaged 50 seconds. That's a notable improvement from March, when the average abandonment rate was 36 percent and hold times averaged more than 14 minutes.
- TAA increased the number of customer services representatives from 50 to 200 with an additional 200 in training to further improve call center performance.
- TAA increased processing staff from 120 to 420 and is adding an additional 100 processing staff in May.
- TAA created searchable online scripts to improve the quality of information provided to clients and reduce the time clients had to wait for that information.
- HHSC and TAA implemented an escalation process to ensure that complex policy questions are directed to state staff.

Challenges remain

Despite improvement in several areas, HHSC has identified several performance areas where significant deficiencies in vendor performance still exist. The vendor must take corrective actions and demonstrate improvement as measured by the state's quality assurance staff:

- Processing times at the San Antonio call center have been too slow, leading to a backlog of cases from the pilot areas. The state has suspended sending new cases from the pilot offices to this facility while TAA works through the backlog and implements changes to improve processing times.
- Reporting on case status is inadequate. This information is necessary to monitor workflow and vendor performance.
- The case error rate on completed cases is too high which results in too many cases being returned to the vendor for corrections.
- Quality of information provided to callers has improved, but vendor performance on integrated eligibility calls continues to be unacceptable.

Contract Oversight and Monitoring

HHSC's contract with TAA is monitored by agency staff, two federal agencies, and an independent verification and validation contractor:

- The U.S. Department of Agriculture's Food and Nutrition Service (FNS) and the Centers for Medicare & Medicaid Services provide oversight and conduct independent reviews and assessments of the implementation of the new eligibility system.
- FNS engaged an independent advisory services contractor, Booze Allen Hamilton, to assist in its review of the new eligibility system. FNS and its contractor have conducted on-site reviews of our implementation and rollout, including a review in March 2006.
- State staff from a separate HHSC division are located in each call center to conduct quality assurance activities. In addition, a special team of quality assurance and policy staff is reviewing TAA operations from end-to-end.
- HHSC engaged Science Applications International Corporation (SAIC) as an independent verification and validation contractor for the eligibility project. SAIC provides the agency with an independent review of vendor deliverables, vendor activities and progress and readiness assessments for all areas of the project.

Retention Plan for State Staff

HHSC received approval to retain an additional 1,000 state workers and is paying retention bonuses to help keep state staff in place during the transition. This means HHSC will retain about 3,900 eligibility employees. There are currently about 4,800 regular-status eligibility employees. HHSC has hired more than 900 temporary employees to help offices experiencing high turnover during the transition.

Employees eligible for the retention bonuses will receive about \$900 this summer and an additional \$900 six months after the first bonus.