



NEWS RELEASE

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CPPP Statement on Texas' Termination of Accenture Contract

Austin, TX—The Texas Health and Human Services Commission announced today that it is terminating its contract with Accenture to enroll low-income Texans in critical programs, including the Children's Health Insurance Program, Medicaid, Food Stamps, and Temporary Assistance to Needy Families (TANF). The contract will officially end in November 2007.

Privatization was supposed to save Texas hundreds of millions of dollars and improve services to clients through better use of technology and a more modern enrollment process.

While CPPP has long supported modernization of the way low-income Texans access services, from the beginning, we have been concerned about the privatization of state services. In particular, we doubted the ability of private companies to deliver better services at a lower cost. We also opposed the deep cuts being made to the state eligibility workforce. Texas' eligibility system was badly understaffed and underfunded before privatization, and this continues to be the primary problem facing the system.

As the contract winds down, HHSC will evaluate whether to hire state staff to take over the privatized functions or use different contractors. Given the failure of the current outsourcing experiment, we urge the Texas Legislature to require a careful analysis of the benefits of outsourcing before any future contracts are awarded and strictly limit the types of state services that can be privatized.

Our concern now is for the millions of low-income Texans who rely on these programs for health care, food, and temporary cash assistance. During the transition, we urge both the state and the private contractors to do everything possible to ensure that all the Texans who need help, get help, on time and in full measure.

Returning the system to state control is only the first step to making things work better. The Legislature must address the shortage of state workers by appropriating more money for staff. For almost a year, timeliness in application processing has been well below federal standards. Major delays in services are occurring in Austin, Houston, Dallas-Fort Worth, and East Texas.

While HHSC has requested \$17.3 million in General Revenue above the amount in the base budget (Senate/House Bill 1), this alone will only maintain current staffing. If the Legislature does not *increase* funding for staff, merely terminating the Accenture contract will make little difference.

For more information, visit <http://www.cppp.org/subcategory.php?cid=3&scid=7/>

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