



POLICY ALERT

An Urgent Update on Issues that Affect You

Center for Public Policy Priorities

900 Lydia Street, Austin, Texas, 78702 PH: 512.320.0222 FAX: 512.320-0227 www.cppp.org

March 31, 2005

Contact: Celia Hagert, hagert@cppp.org

HB 2447/SB 1541: Proposed Legislation Would Require a Pilot to Test the Use of Call Centers for Eligibility Determination

Background

Representative Naishtat (HB 2447) and Senator Gallegos (SB 1541) have introduced legislation that would require the Health and Human Services Commission (HHSC) to conduct a pilot to test the use of call centers in the Food Stamp, Medicaid, TANF, and CHIP programs before a statewide roll-out or significant reductions in local human services offices and employees.

Last session, HB 2292 directed HHSC to examine whether call centers offered a more cost-effective means to determine eligibility for these services, and whether a private company could offer even greater cost savings. In March 2004, HHSC released a proposal for an integrated eligibility system that would replace the majority of local offices and eligibility workers with a combination of call centers, an Internet application, and volunteer assistance from community-based organizations. Last month, HHSC announced a tentative award to Accenture for a contract to develop and run the new system. In response to HHSC's proposal, SB 1/HB1 (the draft appropriations bills) propose a 60% reduction by the end of 2007 in the number of eligibility workers who now staff local offices.

Many lawmakers have expressed skepticism about the use of call centers and the Internet to enroll people in these services; in particular, there is concern that persons with disabilities, rural residents, and persons with language barriers may have trouble accessing services under the more automated model and have to travel longer distances than they do now to get to one of the few remaining local offices. Community-based organizations also have voiced doubts about their ability to play the role outlined for them in the state's proposal. Finally, many advocates and providers worry that such a massive downsizing in the eligibility workforce—which has already been downsized 37% since 1997 despite growing caseloads and workload—could cripple the system.

What the legislation would do

The proposed legislation would require HHSC to fully test and evaluate each feature of the proposed system in a one-year pilot to ensure the new system is capable of supporting eligibility determination in a statewide environment. Specifically, the bill requires the pilot to test the following components necessary to support the new system:

- Call centers;
- Any related Internet application;
- The 211 network;
- Partnerships with community-based organizations; and
- Any other feature of the new system.

The pilot must be located in at least one urban county or MSA, one rural county, and one Border County and include at least half of the caseloads in the urban county and all of the caseloads in the rural and Border counties. The pilot must be designed to show whether the new system can meet state and federal performance standards

relates to benefits determination accuracy, application processing timelines, outreach and informing, and a client's right to apply for benefits without delay. Specifically, the pilot must test the system's ability to:

- Serve persons with disabilities including mobility, hearing, vision, and cognitive impairments;
- Meet the needs of persons with limited English proficiency;
- Screen for domestic violence; and
- Deliver expedited food stamp benefits (state law requires emergency food stamps to be issued within 24 hours of application if an applicant meets the requirements for expedited benefits).

In addition, the pilot plan must specify the role of community-based organizations in the new system and the standards by which these organizations will be evaluated.

To assess performance, the bill requires HHSC to compare the results of the pilot to non-pilot areas of the state with similar demographic and geographic features to the pilot sites. The bill requires quarterly reports on the pilot's performance and a final report at the end of the one-year period. The final report must document the system's performance and note any deficiencies. At this point, HHSC's commissioner shall recommend whether to initiate a statewide roll-out or, if significant problems have been detected, to extend the pilot for another six months. Until statewide roll-out is recommended, HHSC is prohibited from firing staff or shutting down local offices in non-pilot areas. Once statewide implementation is recommended, HHSC must develop a plan to phase in the new system either on a geographic or functional basis.

Why is a pilot so important?

An integrated eligibility process supported by new technologies, more efficient processes, and the right mix of call centers, online tools, and local eligibility offices could produce a state-of-the-art system. However, no model—no matter how genius—will work without an adequate number of staff. The new system should be implemented in phases, with full testing and evaluation of each component and its impact on clients, workers, program integrity, and cost. The pilot proposed in these bills will give HHSC and the legislature *accurate* information about the ability of technology to support such a model, whether clients are able to access the proposed system, and the necessary number of staff and local offices.

What's next?

Both bills can be viewed and downloaded from the legislature's web site at www.capitol.state.tx.us. HB 2447 has been referred to the House Human Services Committee, which will likely hold a hearing on the bill some time in April. SB 1541 will be considered by the Senate Health and Human Services Committee. Hearing dates will be posted on the legislature's web site.

How do I find out more about the proposal for an integrated eligibility system?

- CPPP's analysis of the state budget's proposed reduction in state workers related to integrated eligibility is on our web site at http://www.cppp.org/pop_227.pdf. Our analysis of HHSC's proposal to use call centers is at <http://www.cppp.org/products/policyanalysis/brf-businesscase42604.html>.
- HHSC's cost-effectiveness study for call centers and the integrated eligibility RFP is at <http://www.hhs.state.tx.us/consolidation/index.shtml>.