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BLOOD, SWEAT, AND TIERS: PROGRESS REPORT

Last we wrote, the 76th Legislature was debating how much funding to appropriate to the Texas Department of Human Services (DHS) to implement the proposed Texas Integrated Enrollment and Services (TIES) project. As the session drew to a close, lawmakers opted to fund the least costly version presented by agency staff: a proposal to build a single, integrated automated system to replace the SAVERR¹ computer system now used by DHS for Medicaid, Food Stamps, and TANF and redesign the applications for Long Term Care (LTC) programs. Dubbed "TIERS" — the Texas Integrated Eligibility Redesign System — the new project gained an "R" but lost many of the added benefits of the TIES project, such as improved client access to multiple services (beyond those provided by DHS) and less time and work to apply for benefits. This Policy Page summarizes the progress made thus far in implementing TIERS and points out opportunities for public input in future project planning and roll-out.

Advocates workgroup update scheduled for May 19 – see below

PROJECT OVERVIEW

The TIERS project essentially builds on previous efforts initiated under TIES to improve client access to services by replacing outdated computer systems with a single automated system to determine eligibility for all of DHS' programs. The automated system also includes enhanced interfaces to the Texas Workforce Commission (TWC) and the Office of the Attorney General (OAG) to improve data sharing. The big difference is that the new system will not include any health and human service programs administered by other state agencies, such as the WIC program (Special Supplemental Nutrition Program for Women, Infants and Children) at the Texas Department of Health, and makes no changes in service delivery or the way clients access services. TIERS does include funding to explore the expansion of "change centers" and the use of data broker services for LTC programs. The new system will be flexible enough to accommodate additional agencies and programs in the future.

Contract Acquisition Strategy: DHS will award several contracts to assist in implementing TIERS. (1) An **Independent Verification and Validation (IV&V)** contractor will act as the general overseer who will monitor the other contracts and ensure the quality of project deliverables. TIERS staff have selected an IV&V vendor and are currently involved in contract negotiations. They expect to have the IV&V contractor on board by the end of the month. (2) An **Analysis and Design** contractor will be responsible for the

overall conceptual design of the system. Contract negotiations are also underway for this vendor. (3) Multiple contracts may be awarded to complete **Systems Engineering, Construction, Training, and the Help Desk**. These vendors will build the new system using the conceptual design provided by the Analysis and Design contractor. TIERS staff plan to have these vendors on board by February 2001.

Timeline: The conceptual design of the system is scheduled to be completed by January 2001, at which point the contractors selected to build the system will begin work. The system will be piloted in three stages in the cities of Austin and San Marcos. The first pilot is scheduled to run from February through April of 2001 and will test new screening and scheduling capabilities. The second stage pilot will run from March through May of 2002 and includes the Texas Works programs (Food Stamps, TANF, and Medicaid). The final pilot is scheduled for October through December of 2002 and tests the LTC functions of the new system. Statewide deployment of the new system will begin in January 2003.

POLICY INTEGRATION & SIMPLIFICATION

One of the first steps in building the new automated system is to develop a uniform set of rules to govern the eligibility and enrollment processes for the system. This process involves examining all of the rules that currently govern each

¹ System for Application Verification Eligibility Referrals and Reporting.

program included in TIERS and finding ways to simplify and integrate them into a common rules base. A policy advisory workgroup (PAW) made up of TIERS and DHS policy staff has been working since October 1999 to identify opportunities for rule integration and simplification across all programs.

Most recommendations will require administrative rule changes regardless of their cost or impact on clients. Certain recommendations for change will have such a significant fiscal impact — such as the recommendation to delete the resource test for children’s Medicaid — that they will likely be delayed until the 2001 legislative session and the writing of the next biennial state budget. For other recommendations, a change in state law will be required, such as the decision by the PAW to change the definition of “dependent child” in the TANF program to include children up to age 19. These changes cannot be made prior to approval by the legislature when it meets in 2001. Some changes will require a waiver from the federal government. For example, the PAW has recommended changing the Food Stamp policy on how to count loan proceeds when determining an applicant’s eligibility for Food Stamps. Under the current policy, loan proceeds are counted toward the \$2,000 resource limit required by federal law (a household cannot qualify for benefits if their assets exceed this amount). Under the proposed change, these resources would not be counted if the household can show how it intends to repay the loan, which matches the current TANF policy on loan proceeds.

The PAW has completed its recommendations for policy changes, submitted them for approval by DHS executive staff, and applied for the required federal waivers. The majority of changes address the need to treat types of income, allowable deductions, and resources the same for all programs when determining eligibility and benefit levels. Recommendations were also made to consolidate various types of notices (sent to clients) and combine “acceptable verification sources” lists from all of the programs into one list. The administrative rule changes will follow normal rulemaking procedures, with publication of proposed rules in the *Texas Register* followed by an opportunity for public comment before the final rules are issued.

CHANGE CENTER PLANS

Change centers allow certain case management activities to be conducted over the phone, such as “low-risk” recertifications for benefits,² reporting of changes that affect benefit levels and eligibility (such as a change in income or family size), and sanctions. DHS obtained a federal waiver in 1997 to operate three change centers in the Beaumont, San Antonio, and Abilene regions. A fourth change center was added in 1998 in the Arlington region. The change centers service one office in each of these four regions. They accept phone-

mail-in requests either from the local office or from the client directly. Only clients that have their files saved in an electronic format can use the change centers. Clients that are in the process of recertifying for benefits cannot use the change center to make changes, but must follow the regular recertification process, such as appearing in person for a face-to-face interview.

The TIERS project includes a plan to expand these change centers statewide, which would require additional funding from the legislature and approval from the federal government. The Food and Nutrition Service (FNS) at the United States Department of Agriculture (USDA) is requiring a performance evaluation of current change center operations before it renews or grants expansion of the current waiver. Work is underway to prepare this evaluation and write the waiver extension.

CLIENT, WORKER & LOCAL IMPACT

Legislators’ concerns over the local impact of staffing cuts and office closures proposed under the original TIES were among the main reasons the project was scaled back. Under the TIERS approach, client and local office impacts are minimal since staffing adjustments and the number of offices will not change significantly. Although future developments, such as the expansion of change centers across the state, may lead to staffing cutbacks and changes in the way clients access services, currently no office closings are planned and clients will continue to come into local offices to start and complete the eligibility process (except for certain re-certifications that can be done over the phone). The expansion of change center services to include recertifications for all clients, not just those deemed low-risk, would certainly lessen the current burden clients face in maintaining their benefits. However, given the burden welfare reform has placed on the state to prepare thousands of clients to enter the workforce, the expansion of change centers should not automatically trigger staff cutbacks. Demands on caseworkers have actually increased over the last few years, despite falling caseloads — a result of increased paperwork requirements and little change in the application rate for Texas Works programs. Although caseworker reductions are likely in the 2002-2003 biennium, and TIERS implementation may lessen employee demands, additional caseworkers may actually be needed in the future if DHS is to succeed in treating all clients with the dignity and respect they deserve, identifying barriers to employment, and helping welfare recipients achieve self-sufficiency.

OPPORTUNITIES FOR PUBLIC INPUT

Many of the policy changes being recommended to simplify and integrate policies across DHS programs may actually benefit the client, such as the recommendation to drop the assets test in children’s Medicaid. Other changes, however, may succeed in simplifying policy (and make it easier for the engineers building the system), but adversely affect clients. For example, current TANF policy on the resource limit allows both households with seniors (age 60+) **and/or** family

² The federal waiver that permits operation of these change centers requires the state to specify the criteria for defining “low-risk.”

members with disabilities to have up to \$3,000 in assets. Food Stamp policy, however, only allows the higher \$3,000 resource limit for households that include elderly family members, with no provision for persons with disabilities. To make these two policies compatible, TIERS staff will pursue legislation in 2001 to delete the provision for family members with disabilities from the TANF policy. Because of the potential, in certain situations, for policy simplification efforts to mean bad news for clients, advocates must remain vigilant as the TIERS system is developed. Opportunities for public input include:

- 1) The TIERS team hosts advocates workgroup updates quarterly. The next meeting is scheduled for **May 19, from 9:00 a.m. – 12:00 p.m.** at the TIERS offices on 1812 Centre Creek Drive, Austin.
- 2) All of the recommendations for policy changes have been compiled into a monumental pile of documents dubbed “IPADs” — Initial Policy Analysis Documents. CPPP has a copy of these (including potential policy simplifications that were vetoed by the PAW) for anyone interested in submitting formal comments to TIERS staff.
- 3) All of the policy simplification recommendations that require rule changes will be made via the regular rulemaking process, which allows for public comment.
- 4) The TIERS web site is an excellent source of information for project updates, RFOs, and other materials relating to the project. It also has a feedback feature that allows visitors to submit comments online or via email (<http://www.dhs.state.tx.us/programs/tiers>).

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