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HHSC REPORT PROPOSES USING CALL CENTERS TO DETERMINE ELIGIBILITY FOR HHS PROGRAMS

Report provides little detail, yet proposes implementation as early as October 2004

SUMMARY

House Bill 2292, passed by the 78th Legislature, requires the Health and Human Services Commission (HHSC) to determine whether call centers offer a cost-effective way to determine eligibility for, and enroll people in, the Temporary Assistance for Needy Families (TANF), Food Stamps, Medicaid, Children's Health Insurance Program (CHIP), Supplemental Security Income (SSI), and community-based and long-term care (LTC) programs, and whether to outsource the operation and functions of the call centers to private companies. On February 11, HHSC released its "Integrated Eligibility Determination Discovery Report," which recommends the conversion of an unspecified number of local DHS eligibility offices and/or functions into telephone call centers. The report: 1) examines the current eligibility determination processes at local Texas Department of Human Services (DHS) offices; 2) proposes an integrated eligibility system that would involve the use of call centers and web-based screening and on-line application for services; 3) describes initiatives in other states to expand access to health and human services programs through the use of the Internet and other technology; and 4) develops a model for analyzing how staff time is spent during the current eligibility determination process, along with some assumptions about the savings that could be achieved by reducing staff through the deployment of call centers.

This report recommends a mammoth undertaking that will affect the local services network and economy of hundreds of communities, could affect the jobs of up to 10,000 state employees at DHS involved in eligibility determination, and radically alters customer access and service delivery in these programs. Unfortunately, the report fails to analyze key issues such as the adequacy of current staffing levels to manage the workload in these programs, and the information presented fails to support the report's conclusion that call centers are a cost-effective solution to improve and integrate eligibility processes in these programs. Finally, although the report is presented as just a preliminary step in HHSC's decisions about integrated eligibility and whether to outsource the jobs of current state employees, the report's timeline proposes implementing call centers as early as October 2004, with opportunities for outsourcing these functions scheduled to go out in a Request for Proposal in early May. (HHSC's report can be viewed at <http://www.hhsc.state.tx.us/Consolidation/Projects/IE/IE.html>)

KEY CONCERNS RAISED BY THE REPORT

CPPP has supported efforts to simplify the eligibility and enrollment process in these programs for many years. In particular, we have advocated the expanded use of phone interviews and/or mail-in applications in the CHIP, Food

Stamp, and Medicaid programs. Call centers, online application, and computerized screening and enrollment tools all have the potential to improve the eligibility process and save the state money, provided they are implemented as an *enhancement*, not a replacement, to the current system. Further, any change to the eligibility process that significantly alters the way consumers access these programs should be done in a careful and thorough manner, with customer service and the needs of consumers—not just cost savings—a driving force behind the change.

HHSC's report highlights some of the problems in the current eligibility/enrollment process and outlines some broad solutions to these problems. For example: an integrated eligibility process supported by new technologies would create a simpler, more efficient system for workers to operate and clients to access. Beyond this conclusion, however, the report lacks any real detail about how to create such a system, in particular the role that call centers might play in improving the eligibility determination process. Moreover, there is no discussion about the balance and interaction between call centers and other points-of-entry into the system, such as local offices, community-based locations, and online access. The report also does not examine the federal and state laws and regulatory requirements that drive current eligibility processes, and whether it is actually legal or in the state's or public's interest to change these requirements or processes. These are key questions that the business case must answer before any decisions are made to radically alter the eligibility process. For example, much of the staff time and paperwork involved in Food Stamp eligibility determinations are driven by federal law and state policy decisions that were designed to prevent fraud and ensure prudent stewardship of taxpayer money. How these requirements will be met while streamlining the process is not addressed at all.

CPPP is particularly alarmed by the absence of any assessment in the report, or in HHSC's proposed "cost allocation model," of whether current eligibility staffing levels are adequate to manage existing caseloads in these programs—an analysis that is critical for HHSC to determine the necessary staffing levels under a new system

and accurately assess the possible cost savings from a different model. One thing *is* crystal clear from the report: the proposed integrated eligibility system would attempt to achieve savings primarily through staff reductions and the replacement of certain skilled staff with lower-skilled, lower-paid workers.

Despite the report's inadequate detail, lack of concrete evidence that call centers would save the state money, and no discussion of whether or not to outsource call centers (rather than have centers staffed by state employees), HHSC concludes that current eligibility processes and related activities should be centralized in a "Converged Call Center environment" and proposes a procurement timeline that schedules implementation of the new system to begin in October 2004. In sum, while the report offers a useful assessment of the current state of eligibility processes, we are baffled by the report's conclusion that call centers will automatically improve the current system and believe the case to proceed has yet to be made. We find little substance in the report to support its conclusions, no detail about how call centers would actually function in an integrated eligibility environment, and a proposed timeline that is risky at best and foolhardy at worst. There may indeed be an innovative eligibility determination model that combines call centers with other eligibility improvements that would benefit clients and save the state money, but this report has not presented such a concept. CPPP urges HHSC and the legislature to develop a more coherent, thoughtful approach to revamping eligibility determination, which explores in detail the impact any proposed changes will have on state workers and local communities, makes a sound case for both saving the state money *and* improving program access and service delivery, and proposes a rational implementation schedule.

For a complete analysis of the report and CPPP's concerns and recommendations, visit our web site at:

<http://www.cppp.org/products/policyanalysis/briefingpapers/brf-hhsc-callcenters.PDF>