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## TIES Progress Report

### Awaiting Final Word from Legislature, Agency Staff Push Forward with HHS Integrated Eligibility System

Although the ultimate design of the proposed Texas Integrated Enrollment and Services (TIES) project will depend on how much funding, if any, is appropriated by the Legislature, the TIES agency team continues to make progress. In response to legislators' concerns over the high cost of TIES and its impact on employee reduction and relocation, agency staff have developed several alternatives to the original TIES proposal. This *Policy Page* outlines these options and summarizes new developments and progress in the TIES project.

#### The Call Center Debate

TIES would make sweeping changes in how human services are accessed in Texas. The proposed system would integrate enrollment and eligibility determination for more than 40 programs administered by the Texas Department of Health (TDH), Department of Human Services (DHS), and Workforce Commission (TWC). The cornerstone of the TIES proposal is the **installation of 10 call centers across the state**, which would replace many local DHS eligibility offices and become the central point of access—via telephone—for hundreds of thousands of clients seeking services. These call centers would be complemented by walk-in facilities, similar to current DHS eligibility offices, where clients could also access services in person. Under TIES, there would be fewer walk-in facilities than there are currently eligibility offices.

**Location of call centers:** The current TIES plan proposes locating the call centers in cities in DHS regions with the highest concentration of clients and eligibility workers. Because of the concentration of clients in central and south Texas, nine of the 10 call centers are proposed in cities on or east of Interstate 35, and five are located along the Border. The rationale for this distribution is that it minimizes one-time and recurring costs (through lower long-distance charges), limits staff relocation, and takes into account workforce diversity. Obvious disadvantages are **the overall impact on economic development in areas without call centers, staff reduction/relocation in small city and rural areas, and decreased face-to-face access for clients who don't live close to a call center.**

At the initial budget hearings on TIES, legislators called attention to the proposed location of these call centers in Texas' largest cities and expressed concern over

the effects of staffing cuts that could result from full TIES implementation (up to 2,400 employees statewide). To address these concerns, agency staff developed the following options to the original TIES proposal:

#### **TIES OPTION I**

TIES Option I addresses the limited statewide distribution of call centers and concerns over staff relocation by increasing the number of call centers to 16. Under this option, there would be at least one call center per region, which would result in a better balance between urban and rural/small areas and less staff reduction and relocation in these areas. Although **the number of total staff reductions over the seven-year (FY 2000-07) implementation period would not change**, the reductions would be delayed until later in FY 2003 than under the original proposal and would be steeper towards the end of project implementation. TIES Option I would mean higher one-time costs (excluding financing costs) of \$5.3 million and \$3.5 million more in recurring costs over the project implementation period (FY 2000-07), with annual recurring costs after implementation of \$1 million per year. The total cost increase under Option I is estimated at \$9.8 million. Savings projected under the modified version of TIES would be decreased by \$82.9 million, from \$495.9 to \$413 million. Increasing the number of call centers would also delay the point at which annual savings will exceed costs (from FY '03 to FY '04), while cumulative savings will exceed costs in FY '07 instead of FY '05 projected under the original proposal.

Agency staff chose 16 call centers for TIES Option I with regional and cost considerations in mind; **however the alternative model is flexible enough to allow for additional call centers.** Each additional call center will

have an impact on both the one-time and recurring costs and on the overall savings expected from the project.

**TIES OPTION II**

TIES Option II addresses the concerns voiced over employee cutbacks: this proposal would retain more staff, taking only a percentage of the proposed reductions of 2,423 staff. Agency staff emphasize that the decision to retain more staff would not have to be made immediately, but could be postponed until the next biennium when the 77<sup>th</sup> Legislature convenes. The implications of Option II are the same as under Option I—with higher costs and lower savings—but would also mean more facility space to

house extra staff and decisions on how best to utilize the staff not reduced (e.g., allocate more time to TIES tasks or shift additional staff to DHS duties where needed).

**Note on caseworker reductions:** Given the burden welfare reform has placed on the state to prepare thousands of clients to enter the workforce, demands on caseworkers have actually increased over the last few years, despite falling caseloads. Although caseworker reductions are likely this biennium, and TIES implementation may lessen employee demands, additional caseworkers may actually be needed in the future if Texas is to succeed in identifying barriers to employment and helping welfare recipients achieve self-sufficiency.

**Comparison of TIES Alternatives**

Key Features	Original TIES Proposal	TIES Option I	SAVERR Plus
Cost (in millions) '00-01	\$78.9	\$82.3	\$54.8
Total	\$391.2 (with financing)	\$400.0 (with financing)	\$303.8 (without financing)
Savings (in millions): Total	\$495.9	\$413.0	Not yet determined
Staff reductions	2,423	2,423	limited
Call/Change Centers	10 call centers	16 call centers	10 change centers

**SAVERR PLUS**

Most people will agree that replacing the decades-old SAVERR<sup>1</sup> computer system now used by DHS for Medicaid, Food Stamps, and TANF is a critical first step toward improving human service delivery in Texas. An integral component of the TIES project, the replacement of SAVERR accounted for a majority of the total cost of the original TIES proposal. In the event that TIES does not get a green light from the 76<sup>th</sup> Legislature, agency staff have developed the “SAVERR Plus Replacement Plan” as an alternative approach that replaces SAVERR while taking advantage of some of the TIES work that has already been done.

**Highlights of SAVERR Plus:** In the 2000-01 biennium, SAVERR plus would build a single, integrated automated system to replace SAVERR and redesign the Generic Worksheet (GWS) application used for Food Stamps, TANF, and Medicaid. A new Long Term Care (LTC) worksheet and the redesign of other eligibility processes and non-SAVERR mainframe applications would occur over the next five years (FY 2002-07). Other components of the plan include eight additional Change Centers (two are currently located in San Antonio and Beaumont) in other areas of the state to assist clients in processing changes and recertifying for benefits; expanding the use of data broker services for LTC programs; and establishing risk profiling and risk assessment using data brokers. The cost of SAVERR Plus would be \$54.8 million for the FY2000-01 biennium with a total cost of \$303.8 million – **\$87 million less than the total cost of the original TIES proposal under**

**consideration by the Legislature.** However, the difference in the one-time costs for the two proposals (original TIES and SAVERR Plus) is only \$9 million.<sup>2</sup> The important point to remember about this approach is that it stops short of integrating DHS eligibility processes and centralizing client access via call centers. None of the added benefits of the TIES project, such as improved client access to multiple services and less time and work to apply for benefits, are a feature of SAVERR Plus.

**Site Selection Process**

Regardless of the final shape the TIES project takes, the decision of where to locate walk-in facilities for clients will affect the ultimate success of TIES. The final location of these walk-in centers will also affect where the call centers will be situated, and which DHS eligibility offices will shut down. The TIES agency team has developed a three-tiered process for site selection that will include client and worker advocates and incorporate public input at the local level. Three committees have been designated by TIES officials to guide this process: first, an **interagency committee** will meet to determine the parameters and criteria for site selection. This committee will include representatives from DHS, TDH, TWC, HHSC, the General Services Commission (GSC), and advocates. This committee will also decide who from the regional level should participate on the next committee, the **intra-agency committee**. This committee will be composed of regional representatives from DHS, TDH, and TWC (such as a member of a Local

<sup>1</sup> System for Application Verification Eligibility Referrals and Reporting.

<sup>2</sup> \$181 million in one-time total costs for original TIES versus \$172 million for SAVERR Plus.

Workforce Development Board) and will use the criteria developed by the first committee to identify potential sites for walk-in facilities. The third committee, the **local site selection committee**, will review the sites recommended by the intragency committee and will gather public input via community meetings. The first committee will have ongoing oversight of the decisions made in the interagency and site selection committees. Although the site selection committee will make final recommendations for where the walk-in facilities should be located, the ultimate decision will rest with agency officials at DHS and is dependent on funding decisions made by the Legislature.

### Federal Waivers Needed

To implement TIES, state agency officials must seek federal waivers, including several from the Food and Nutrition Service (FNS) at the United States Department of Agriculture regarding Food Stamp application procedures. Although none of these waivers have been formally approved by FNS, the agency has agreed to a simplified waiver process and has given its informal stamp of approval to the following Food Stamp waivers:

**Written application and file date:** FNS agreed to waive the requirement that a written application for Food Stamps be submitted as the official “file date.” Under TIES, the initial phone call inquiring about benefits will be considered the date of application if the potential client is determined eligible for Food Stamps. This is important because of a federally mandated 30-day processing period for Food Stamp applications, which starts on the file date. Under the waiver, clients approved for Food Stamps should receive these benefits more quickly, as their 30 days will begin prior to even filling out a formal application.

**Recertification of low-risk clients:** Under current regulations, Food Stamp recipients must recertify their eligibility for benefits every one to 12 months, depending on whether they are considered “high risk” clients. High risk clients are usually those with earned income and family situations that are likely to change. In contrast, clients are considered “low risk” if they have low resources and little or fixed income, are elderly and live alone, and so on. This waiver will allow low-risk clients to recertify for benefits without having to produce verification of their income, resources, and family situation. This will simplify the procedure for these clients, as they will be able to recertify for benefits over the phone.

### Other Developments

**Rules RFO:** A contract for the Policy Integration and Documentation Assistance component of TIES is expected to be awarded in early June. This contractor will assist the TIES team in developing a uniform set of rules to govern the eligibility and enrollment processes for the TIES system. This process will involve examining the rules that currently govern each program included in TIES and finding ways to simplify and integrate them into a common rules base. Advocates will have an opportunity to comment on all of the major rules changes recommended as part of this process. There will be a 14-day turnaround for comments that CPPP will help coordinate. In addition, the TIES team has released a draft glossary of terms for review and comment that will be used by the vendor in simplification and integration of rules. The Center has a copy of this glossary as well as the feedback form for those who wish to make comments.

**Co-location of office space:** CSHB 2877, introduced by Representative Maxey, was voted favorably from committee as substituted on April 20, and should be approved by the full House today (see [Policy Page #81](#)). The section of the bill that authorizes health and human services agencies and TWC to co-locate in office space with private service providers has also been rolled into Representative Naishtat’s omnibus welfare bill, CSHB 3639.

### The Future of TIES

The conference committee to iron out differences in the House and Senate versions of the budget for FY 2000-01 is meeting this week. This committee of five senators and five representatives will make final recommendations about agencies’ funding for the next two years, including whether to provide full funding for the TIES project (see [Policy Pages #81](#) and [#84](#)). There are rumors that TIES may not be funded at all, in which case most of the information in this *Policy Page* is of little relevance. If TIES does not receive funding this go-around, it is unclear what will become of the project or all the work (and money) that has gone into it. The Center included full funding for TIES as one of its budget priorities in a memo to conference committee members and emphasized, at a very minimum, that the antiquated SAVERR system be replaced. The immediate fate of TIES should be made known by the end of this week, although whether the project will be reconsidered by future legislatures is unknown.

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