

# Center for Public Policy Priorities

Twenty Years: 1985 to 2005

## **Statement on HHSC's Decision to Put Social Service Call Centers on Hold**

The Center for Public Policy Priorities supports the difficult decision the Texas Health and Human Services Commission made Wednesday to delay for at least 30 days the next phase of a new system that uses privately run call centers to help people apply for food stamps, Medicaid, and TANF.

Since the January launch of pilots in Travis and Hays counties, the new system has been marked by technical difficulties, staffing shortages, and inadequate training of private call center staff. These problems have delayed services to clients, caused thousands of children to lose their health insurance, and frustrated both clients and staff. For example:

- Children enrolled in Medicaid, which had grown steadily since 2000, dropped by nearly 79,000 from November to February, and parents covered declined by about 10,000. Children in CHIP dropped by another 21,000 from December through March.
- Weekly status reports from the contractor show high call abandonment rates and long wait times at the call center. As of March 26, 39% of calls were dropped, and callers were on hold an average of 22 minutes.
- The interface between the contractor's computer system (Max-e3) and the state's computer system (TIERS) is not working, which means that all data must be entered twice rather than being transferred automatically between systems, increasing both the time it takes to process an application and the risk for error.
- State staffing shortages and technical problems have caused a backlog of thousands of applications in the pilot area, which delayed the approval of benefits for some clients and improperly terminated benefits for others.
- Insufficient training of private call center staff has led to errors, delays, and an inability to resolve clients' problems.

The new eligibility system was scheduled to be expanded to 20 counties in the Hill Country later this month and then rolled out to the rest of the state by the end of the year. The 30-day delay in the rollout does not affect the pilot area, where clients will continue to apply for benefits using the new system.

Ultimately, HHSC plans to close one-third of its local benefits offices across the state and replace thousands of public employees with four privately run call centers. The state has hired Accenture LLP to operate the call centers as well as maintain the computer systems and other technology that support the eligibility system.

State officials said they would reevaluate the rollout timeline in 30 days and that the decision to push forward will depend on the system's readiness and ability to deliver timely services to clients.

HHSC identified the need for better training of the private sector customer service representatives, necessary technical and operational improvements, and the need for better reporting and data collection as the main reason for the rollout's delay. In addition, the commission announced that it is developing a statewide staff retention plan to prevent disruptions in services to clients as the new system is rolled out to other areas of the state.

HHSC's improvement plans also call for a process to more quickly resolve delays and disruptions in benefits. As part of this process, HHSC needs to ensure it has enough staff in the pilot area to fix individuals' problems accessing benefits in the new system.

Before the system is expanded any further, HHSC should be able to certify that:

- The system is capable of processing applications and renewals in a timely manner as required by federal law.
- Hold times and call abandonment rates fall at or below the targets established by the state's contract with Accenture.
- There are adequate state and contractor staff to ensure the timely delivery of service to clients during the transition, and that staff have the training they need to answer clients' questions promptly and accurately.
- The computer interfaces and other technology intended to support the system are working efficiently and effectively.
- Clients with special needs – for example, persons with disabilities, seniors, the homeless, and persons with language barriers – are able to navigate the system and do not face barriers resulting from the loss of face-to-face assistance.

The Texas Health and Human Services Commission, both administrators and staff, are working extraordinarily hard to ensure a smooth transition to the new system. While we have expressed reservations about the new business model and whether the legislature has given HHSC adequate funding and time to make the new system a success, we have no doubt about the commitment of HHSC to the low-income Texans dependent on these services. HHSC's willingness to delay the rollout until the problems are fixed is evidence of that commitment.