



September 21, 2007

**Health and Human Services Commission,
Subcommittee on Eligibility System**

Transition Plan mandated by H.B. 3575, 80th Texas Legislature

Testimony of Anne Dunkelberg, Associate Director, and on behalf of Celia Hagert, Senior Policy Analyst.

CPPP appreciates the HHSC staff's work on the Transition Plan draft, which reflects important lessons learned from the attempted implementation of the IEE concept under the TAA contract. It acknowledges the inadequate performance of the former contractor, as well as the inadequate telephone system capacity and staffing levels in state eligibility offices that persist today.

Missing from the report is discussion of some of the most disturbing consequences of the failed implementation, including a drop in children's Medicaid of 100,000 children in 2006 as the direct result of contractor failures and state staff shortages. Also missing is discussion of Medicaid and Food Stamp Application processing timeliness (i.e., compliance with federal law which requires processing of Medicaid within 45 days and Food Stamps within 30), which fell dramatically below the 95% timely federal law standard in 2006, with some regions falling below 60% timely for 6 months or more.

The center has issued a number of reports focusing on the eligibility system, and we hope the members of the subcommittee will read these reports: Updating and Outsourcing Enrollment Public Benefits: The Texas Experience, November 2006, <http://www.cppp.org/research.php?aid=582> ; Child Friendly? How Texas' Policy Choices Affect Whether Children Get Enrolled and Stay Enrolled in Medicaid and CHIP, March 2007 <http://www.cppp.org/research.php?aid=639> ; other reports on eligibility systems <http://www.cppp.org/subcategory.php?cid=3&scid=7>.

In the interest of brevity, we will comment today on four issues of ongoing concern to CPPP.

1) The flawed integrated eligibility Business Case never assessed state staffing needs or proved cost effectiveness. In order to move ahead without further waste, the state needs an independent valid analysis of staffing needs in the eligibility system, which was never performed as the IEE experiment was pursued. The so-called "Business Case" report for IEE failed to analyze the adequacy of eligibility staffing levels at the time, nor did it provide any factual basis for its assumptions about potential time savings in the application and renewal processes. The new system never had an actual design, instead it was then and remains now only a concept which to date still lacks the computer systems and business model needed to elevate it from an optimistic concept to a functional design. Indeed, the failure of the TAA-Accenture contract should call into question the very conclusion of the old business case report that the call center model would be cost-effective.

- 2) **It is unrealistic to assume that staffing needs will not grow with population and inflation under any eligibility system model.** Page 4 of the document implies that a modernized system might be operated at staffing levels that are half of the 1995 levels. This has never been tested or demonstrated, and it may never be true. The new system should be designed to optimally reduce cost per client without sacrificing timeliness, accuracy, or client dignity; still, every system will require more staff as caseloads grow and inflation marches on.
- 3) **Given the lack of a proven business model and supporting IT systems, HHSC should consider contracting only for pilots, rather than assuming a statewide roll-out** of a system which, as noted previously, still exists only in concept. If a pilot is successful, a contract can be let for statewide roll-out. We call the members' attention to the fact that the pilot area for TIERS (Region 7) continues to be the one area of the state that is significantly below federal timeliness standards, despite HHSC devoting extra resources to support the system in those areas (see <http://www.hhsc.state.tx.us/research/FMTtimeliness.html>). If the computer system assumed to support the entire system still cannot perform at timely levels after 4 years of "piloting," we question on what basis HHSC can assume that statewide operations are possible in the near future.
- 4) We echo the Texas CHIP Coalition's earlier **request for an ongoing HHSC eligibility system stakeholder advisory group to identify and troubleshoot problems with the system**, and to identify ways in which advocates and Community Based Organizations can support HHSC to improve outreach, enrollment, and renewal of public services.

Thank you for the opportunity to testify. Any Questions may be addressed to Anne Dunkelberg (Dunkelberg@cphp.org; 512 320 0222 X102) or Celia Hagert (Hagert@cphp.org; 512 320 0222 X110).

July 2006 - September 2007

Data provided by HHSC Enterprise Applications

Applications Processed within 45 Days

HHS REGIONS	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb. 2007	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07
01 High Plains	96.3%	97.3%	96.0%	97.2%	95.7%	95.4%	96.6%	96.9%	97.6%	98.7%	98.5%	98.8%	99.0%	98.1%
02 NW TX	94.9%	95.1%	95.1%	94.4%	95.0%	94.0%	92.8%	94.1%	95.4%	96.0%	97.6%	98.3%	98.1%	98.4%
03 Metroplex	89.4%	87.3%	84.3%	79.5%	81.5%	82.3%	81.7%	82.2%	87.9%	90.8%	91.9%	92.8%	92.1%	91.6%
04 Upper East TX	97.6%	97.1%	96.7%	96.3%	95.8%	95.0%	96.3%	94.9%	95.0%	95.4%	96.8%	97.4%	97.0%	96.0%
05 SE TX	94.1%	91.5%	92.1%	90.7%	93.0%	91.0%	93.2%	91.3%	91.9%	96.3%	97.2%	96.2%	95.2%	94.6%
06 Gulf Coast	90.2%	81.8%	78.9%	77.0%	75.4%	92.5%	87.9%	89.4%	92.1%	91.8%	96.2%	96.6%	96.7%	97.9%
07 Central TX	50.6%	60.6%	53.9%	53.4%	51.7%	63.0%	68.9%	86.0%	87.3%	84.6%	84.3%	82.5%	75.3%	78.6%
08 Upper South TX	97.8%	98.1%	97.5%	97.8%	97.8%	97.3%	96.5%	93.3%	94.7%	96.6%	97.8%	98.4%	98.6%	98.1%
09 West TX	93.8%	94.1%	93.9%	95.3%	94.8%	91.9%	93.3%	95.4%	97.7%	97.8%	98.9%	98.7%	98.7%	97.6%
10 Upper RGV	98.2%	96.5%	94.3%	93.4%	94.1%	86.3%	94.3%	95.3%	97.8%	96.4%	96.9%	97.2%	97.1%	97.0%
11 Lower South TX	97.4%	97.2%	97.2%	95.9%	96.3%	96.8%	97.0%	97.5%	89.8%	91.6%	96.1%	97.3%	97.1%	96.8%
00	31.0%	38.4%	56.1%	63.0%	73.3%	75.0%	98.1%	99.1%	92.6%	76.4%	84.5%	78.9%	71.7%	89.3%
TOTAL	86.7%	86.5%	84.1%	82.3%	81.40%	86.2%	86.9%	89.7%	90.9%	91.3%	93.1%	93.2%	91.4%	91.8%

Federal law and regulation call for 95% or more of Medicaid applications to be processed within 45 days.

Data provided by HHSC Enterprise Applications

Notes:

Medicaid Application Timeliness includes Pregnant Women, Children's Medicaid, Medicaid with Spend Down, and the Emergency Medicaid equivalent of these programs.

Region 00 includes transactions processed by staff as part of the Centralized Benefits Section, Assistance Response Team, and the Customer Assistance centers.