Presentation to the
Senate Health and Human Services Committee
and Joint Committee on Oversight of the Health and
Human Services Eligibility System

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Health and Human Services Commission

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I.   **Eligibility System Performance Update**

II.   **Eligibility Staffing**

III. **SNAP Error Rates**

IV.   **TIERS Rollout Status**

V.   **Eligibility Business Process Improvements and Policy Changes**

I. Eligibility System Performance Update

Eligibility System Performance

In August 2010, Texas issued a total of $433.49 million in SNAP benefits to more than 3.47 million recipients, compared to $343.92 million and 2.8 million recipients in August 2009.

- This is a one year increase of 26 percent in benefits and 23.9 percent in recipients.

Timeliness
- **SNAP Applications**
  – Application timeliness increased to 93.5 percent in August, compared to 76.2 percent in March and 58.6 percent in September 2009.
    - Five out of ten regions had timeliness at or above 95 percent.
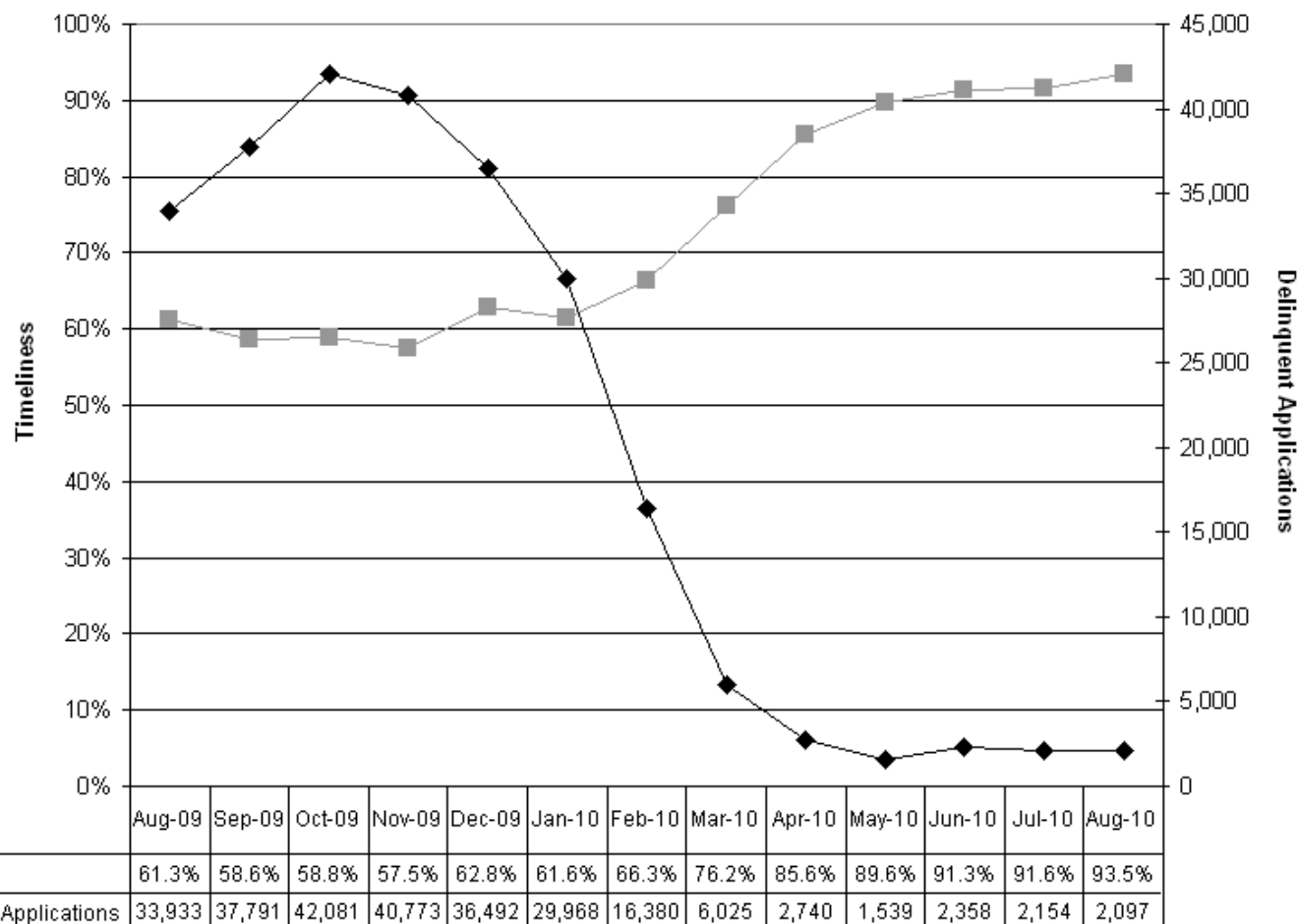
- **SNAP Recertifications**
  – Timeliness for recertifications increased to 95.8 percent in August, compared to 83.8 percent in March and 68.9 percent in September 2009.
    - Nine out of ten regions had timeliness at or above 95 percent.

- **Expedited SNAP Application Timeliness**
  – At the federal standard of seven days, timeliness for expedited applications was at 93.9 percent in August, compared to 89.5 percent in March and 89.4 percent in September 2009.
    - Seven out of ten regions had timeliness above 95 percent.
  – At the state standard of one business day, timeliness for expedited applications was at 88.8 percent in August, compared to 80.0 percent in March and 76.6 percent in September 2009.

Delinquent Applications and Timeliness

Statewide SNAP Application Timeliness Compared to Number of Delinquent SNAP Applications*

	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
Timeliness	61.3%	58.6%	58.8%	57.5%	62.8%	61.6%	66.3%	76.2%	85.6%	89.6%	91.3%	91.6%	93.5%
Delinquent Applications	33,933	37,791	42,081	40,773	36,492	29,968	16,380	6,025	2,740	1,539	2,358	2,154	2,097

*For Number Delinquent, SAVERR cases only are reflected through May 2010. TIERS cases included effective June 2010.

-5-

In August 2010, Texas had a total of 3.1 million individuals enrolled in Medicaid, compared to 2.8 million in August 2009.

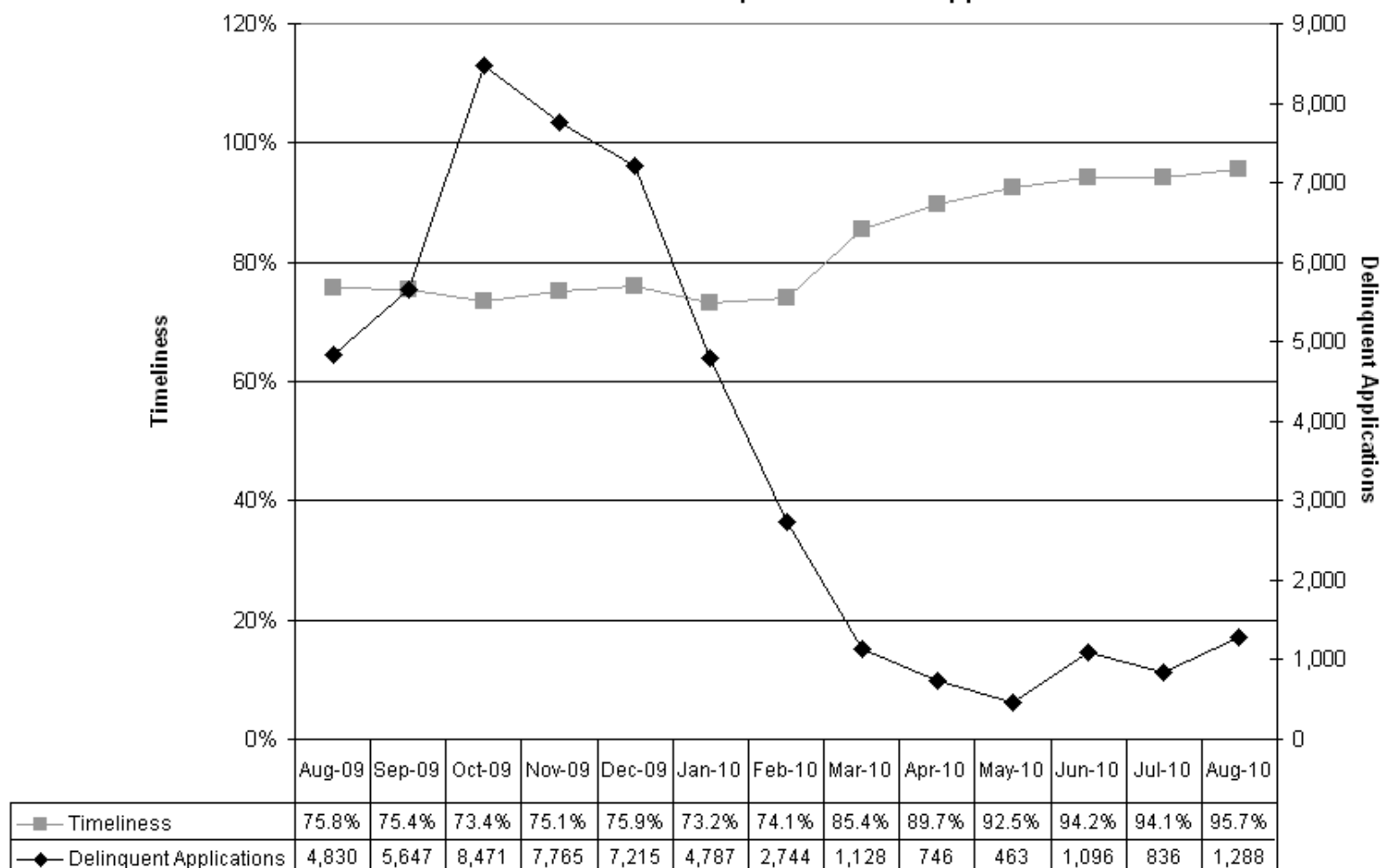- This is a one year increase of 11.9 percent.

Timeliness

- **Medicaid Applications**

  – Application timeliness increased to 95.7 percent in August, compared to 76.2 percent in March and 75.4 percent in September 2009.

Delinquent Medicaid Applications and Timeliness

Statewide Medicaid Application Timeliness Compared to Number of Delinquent Medicaid Applications*

	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
Timeliness	75.8%	75.4%	73.4%	75.1%	75.9%	73.2%	74.1%	85.4%	89.7%	92.5%	94.2%	94.1%	95.7%
Delinquent Applications	4,830	5,647	8,471	7,765	7,215	4,787	2,744	1,128	746	463	1,096	836	1,288

*For Number Delinquent, SAVERR cases only are reflected through May 2010. TIERS cases included effective June 2010.

Lead time

- Lead time is a measurement used as an indicator of timeliness at the local office level. Lead time refers to the number of days between receipt of an application and the first available interview appointment.
  - The likelihood of an application being processed within 30 days is increased when lead time is at 20 days or less.
- Currently, all of HHSC's 314 eligibility offices have lead times of less than 20 days.
  - For the week ending July 23, a total of 215 offices had lead times of less than 8 days, 96 offices had lead times between 8 and 14 days, and 3 offices had lead times between 15 and 19 days.

II. Eligibility Staffing

Rider 61 (S.B. 1, 81st Legislature, Regular Session) authorized HHSC to request up to 656 additional staff for FY 2010, and another 166 for FY 2011.

- **The LBB authorized 250 additional staff.**

	Authorized FTEs	*Positions Authorized by EC
Strategy A1.2 Authorized	9,039	
Rider 61b Authorized	250	
Total FTEs authorized	**9,289**	****9,733**

* To achieve the level of filled staff, the Commission authorized a level of positions to compensate for turnover and vacancies; the 9,733 level provides for a 4.5 percent vacancy rate.

** Authorized positions include 8,630 eligibility determination positions (field offices and specialized units) and 1,103 regional and eligibility support positions (operations, policy, technical support).

	HHSC Filled Positions	LBB Authorized FTEs	Variance
Filled Eligibility Positions (all Strategy A1.2) as of August 12, 2010	9,319	9,289	30
Average Year to Date Filled Eligibility Positions (all Strategy A1.2)	9,208	9,289	-81

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Filled positions include 8,380 eligibility determination positions (field offices and specialized units) and 939 regional and eligibility support positions (operations, policy, technical support).

37

| **Eligibility Positions** | 9,208 | 9,289 | -81 |

Eligibility Staffing

Since September 1, HHSC has had a net gain of 864 field eligibility determination staff, for a total of 8,380 statewide as of August 12, 2010.

Regions	Filled Positions (9/3/09)	Filled Positions (12/3/09)	Filled Positions (3/4/10)	Filled Positions (6/4/10)	Filled Positions (7/1/10)	Filled Positions (8/5/10)	Filled Positions (8/12/10)	Net Change In Filled Positions (9/3/09 through 8/12/10)
1-Lubbock	159	213	218	213	219	220	220	61
2/9- Abilene	212	229	254	253	256	254	255	43
3-Grand Prairie	1,008	1,248	1,305	1,305	1,314	1,323	1,324	316
4-Tyler	254	269	275	281	280	277	282	28
5-Beaumont	228	241	249	250	250	251	251	23
6-Houston	1,193	1,246	1,259	1,300	1,298	1,277	1,278	85
7-Austin	638	644	652	662	666	663	664	26
8-San Antonio	554	643	692	705	701	692	701	147
10-El Paso	447	451	451	449	451	450	455	8
11-Edinburg	968	993	1,003	1,009	1,010	1,008	1,019	51
Asst. Response Team*	584	587	589	282	287	286	288	-296
Customer Care Center	274	335	334	620	619	621	619	345
MEPD	997	1,012	1,020	1,030	1,022	1,021	1,024	27
Total	7,516	8,111	8,301	8,359	8,373	8,343	8,380	864

*Assistance Response Team (ART) includes the Centralized Representative Unit that handles Fair Hearings.

Eligibility Staffing Analysis

H.B. 3859 (81st Legislature, Regular Session) directed HHSC to conduct an analysis of staffing needs for the enhanced eligibility system and expansion of TIERS.

- HHSC's eligibility system is currently in transition, which creates unique challenges in developing a staffing model.
  - Three of the ten health and human services regions (77 of 254 counties) are fully transitioned to TIERS.
    - Remaining counties continue to process cases in both SAVERR and TIERS. This duality is inherently inefficient.
  - HHSC is at various stages of assessing and implementing several improvements to streamline how clients access information about their cases and access services.
    - Not enough information available at this time to determine the impact of these changes within the staffing model.

Eligibility Staffing Analysis

- Staffing analysis focused on Texas Works staff who process Medicaid for Women, Children, Youth, and Needy Families; SNAP; and TANF.

- Data analyzed indicated that there is no significant difference in productivity between the legacy system and TIERS.

  – No additional staff are required to accommodate the transition to TIERS.

- Projected caseload increases are the primary driver for increased staffing levels.

  – Additional staff are required to meet increasing caseloads and to reduce overtime to sustainable levels.

  – Current forecasts indicate projected caseload growth of nearly ten percent between 2011 and 2012.

Following are projections for the Texas Works staffing levels identified for state fiscal years 2011-2013 for eligibility offices and centralized units:

Total Eligibility Office and Centralized Unit State Staffing

	Advisor II-III	Advisor IV	Clerks	Supervisors	Total Staff	Change	Estimated Caseload
Current	4,772	613	1,586	447	**7,418**	**-**	2,648,000
FY 2011	5,730	1,010	1,790	530	**9,060**	**1,642**	2,911,000
FY 2012	5,840	1,030	1,790	540	**9,200**	**140**	2,993,000
FY 2013	5,960	1,050	1,790	550	**9,350**	**150**	3,054,000

- *Staffing levels shown for fiscal year 2010 represent Texas Works positions filled in May 2010, and are for comparison purposes. This is a subset of all regional staff.*

III. SNAP Error Rates

Error Rates Sanction

- **On June 24, 2010, Texas received notification of the federal fiscal year 2009 national average error rates.**

- **Texas was out of compliance for the second consecutive year, and a liability amount of $3.96 million was established for FFY 2009.**
  - The Positive Error Rate reflects benefits that are over- or under-issued compared to the amount a household was entitled to receive.
    - National Average Payment Error Rate was 4.36 percent.
    - Texas' final Payment Error Rate was 6.90 percent.
  - The Negative Error Rate reflects the correctness of an action to deny, suspend, or terminate SNAP benefits and whether or not the state complied with procedural requirements.
    - National Average Negative Error Rate was 9.41 percent.
    - Texas' final Negative Error Rate was 14.82 percent.

Error Rates Sanction

- **On June 30, 2010, HHSC responded with its intent to appeal the sanction.**

- **Uncontrollable events, including Hurricane Ike and caseload growth impacted error rates in Texas.**
  - Hurricane Ike
    - Errors occurred as the result of actions the agency took to divert staff resources to work disaster applications and maintain client access to benefits.
    - Additionally, errors that occurred in the disaster time period may be attributed to overworked staff often working under less than desirable circumstances (temporary offices).
  - Caseload Growth
    - Texas experienced 20.9 percent growth in the average number of households from the base period of April 2007 – March 2008, to the comparison period of July 2008 – June 2009.

- **HHSC submitted the appeal to the U.S. Department of Agriculture, Food and Nutrition Services (FNS) in late August.**
  - FNS will have 60 days from the date of receipt to respond to the brief.

Current Error Rates

SNAP accuracy has significantly improved in fiscal year 2010.

	FFY 2009	FFY 2010			
	Oct-Sep	January	February	March	April**
SNAP Positive Error Rate	6.82%	1.94%	2.16%	1.95%	1.87%
SNAP Negative Error Rate	14.19%	6.80%	6.08%	6.24%	5.63%

*April is early alert data

Error Rates of Largest Issuance States

Rank	State	Issuance in Billions*	FFY 2010 (to date)	
			Payment Error Rate (PER)**	Negative Error Rate (NER)**
1	Texas	$4.40	1.94	6.80
2	California	$4.38	4.20	10.55
3	New York	$3.96	4.30	8.76
4	Florida	$2.97	1.43	5.00
5	Illinois	$2.32	1.50	9.21
6	Ohio	$2.17	3.19	6.72
7	Michigan	$2.11	5.59	10.42
8	Georgia	$1.94	1.62	12.02
9	Pennsylvania	$1.90	1.66	7.33
10	North Carolina	$1.63	2.68	5.17

* FNS reported 2009 SNAP benefits issuance data as of 6/30/10

** PER and NER based on FNS release of state reported cumulative rates 6/24/10

IV. TIERS Rollout Status

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In August 2009, Michigan completed a statewide transition to Bridges, a modern automation system that supports eligibility determinations.

- Michigan utilized the code from TIERS as the foundation for Bridges

During Michigan's rollout to Bridges:
- **Productivity and timeliness temporarily declined and errors increased as workers adjusted to the new system. Staff returned to prior performance levels within approximately six months.**
  - Michigan's SNAP payment error rate prior to rollouts in federal fiscal year (FFY) 2008 was 5.77 percent. It rose to 6.52 percent in FFY 2009, and has now decreased to 4.41 percent.
    - Comparatively, Texas' SNAP error rates were high last fiscal year and have significantly improved in the current fiscal year. Impact on error rates in the newly converted regions has not yet been assessed (quality control sampling and reviews are completed 3 to 4 months following the benefit month).
  - Michigan's timeliness for SNAP applications averaged 79.9 percent in FFY 2008 and fell to 60 percent two months after conversion was completed. Timeliness is now at 94.3 percent.
    - Timeliness for SNAP applications in Texas has been improving statewide and continues to be in the low- to mid- 90 percent in most regions of the state, including those newly converted to TIERS.
  - Caseloads continued to increase during the Michigan conversion. Texas is experiencing this same trend.

TIERS Transition Update

High performance levels have been achieved in the Lubbock and El Paso regions in the month following conversion; based on Michigan's experience, this level of performance may not be achieved by all regions immediately following conversion.

- **In May 2010, HHSC completed conversion of the Lubbock Region.**
    - Timeliness prior to conversion (May) was 90.1 percent for SNAP applications and 93.2 percent for renewals. In the month following conversion (June), application timeliness was at 90.5 percent and renewals were at 96.2 percent.

- **In July 2010, the El Paso Region was converted to TIERS.**
    - Prior to conversion, timeliness in June was at 91.3 percent for SNAP applications and 92.7 percent for renewals.
    - In July, just prior to conversion, timeliness decreased to 85.1 percent for applications, while renewal timeliness improved to 93.1 percent.
        - As El Paso staff were in TIERS training, their cases were worked by ART staff (experienced TIERS-trained staff). There were fewer bi-lingual ART staff, and due to the high concentration of Spanish speaking clients in El Paso translation services were utilized more frequently, which slowed down processing.
    - Preliminary data for the region since conversion indicates that 93.1 percent of SNAP applications and renewals are being completed timely.

Top Ten Rollout Lessons Learned

1. **Identify Single Point of Ownership**

   Identify a clear leader that can coordinate and drive rollout activities across key areas of the agency – e.g., application development, architecture, policy, operations, training and readiness teams.

2. **Align Funding and Resources with Rollout Timeline**

   Coordinate across the agency to define the rollout resource schedule and verify that the appropriate hardware, software, training and support resources are available when you need them.

3. **Manage Change and Expectations**

   Communicate early and communicate often; it is the key to managing expectations. Get staff buy-in early and engage them throughout the process. Define your stakeholders at all levels and communicate regularly with them. Provide feedback mechanisms for staff and stakeholders.

4. Incorporate On- Site Visits

On site visits enable the implementation team to better understand the landscape and operations at a particular region and office. This brings issues to light and facilitates improvements to the rollout plan.

5. Report and Monitor Conversion Statistics

Plan for conversion dry runs within each region. Monitor and report dry run conversion results along with actions that the regions can take to improve the conversion statistics.

6. Provide Integrated Training Approach

Integrate policy, operations and systems training. Create role-based and task-based training with hands on practice. Allow for on-the-job training that provides real-world case experience. Provide classroom support.

7. Provide Work Relief Support

Schedule training so no more than 25% of office staff is in training at one time. Provide back-up staff that can support everyday case activities so staff are not overwhelmed after returning from training and work remains timely.

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8. Organize Clean-Up Team

Expect that there will be cases that were converted but had a benefit mismatch between the old and new system. Assign these cases to a dedicated clean-up team so the operational rhythm of staff is not affected.

9. Create Command Center

Establish a central command center to monitor and track issues from newly converted offices, central office, and various technology teams. Provide a management team on-site immediately following the rollout. In addition, establish a direct telephone line to a command center that is staffed to quickly answer questions and route problems to the appropriate resource.

10. Provide Effective On Site Support

Deploy an on site support team to provide coaching and reinforce training for staff. They can help troubleshoot and resolve issues before escalation to a help desk. Lessons learned can be applied to future conversions.

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Current caseloads and the schedule for the regions planned for conversion are as follows:

Region	All Programs SAVERR Cases* (excluding MEPD)	SNAP SAVERR Cases	Proposed Rollout Date
Region 1 - Lubbock	70,041	34,157	COMPLETED
Region 10 - El Paso	118,843	63,066	COMPLETED
Region 5 - Beaumont	82,834	45,630	October 2010
Region 4 - Tyler	106,331	55,549	November 2010
Region 2/9 - Abilene	96,732	49,372	January 2011

*Cases are based on current caseloads, and include SNAP, Temporary Assistance for Needy Families (TANF), TANF-related Medicaid, and Texas Works Medicaid. Medicaid for the Elderly and People with Disabilities (MEPD) cases are excluded and will not be converted.

- The plan for conversion of the remaining regions – Dallas/Fort Worth, Edinburg, Houston, and San Antonio – is currently being reviewed.
  - The plan will require federal approval.
  - Statewide conversion is targeted for completion by the end of 2011.

V. Eligibility Business Process Improvements and Policy Changes

Improvement Initiatives

Texas will expand online self service options available to clients.

- **HHSC will implement an expanded Self-Service Portal in early 2011 that will allow data entered online by applicants to be directly imported into TIERS.**
  - The current online application produces an electronic image that must be data entered by eligibility staff.

In Spring 2010, HHSC developed a Comprehensive Management Improvement Plan (CMIP) to improve the timeliness, accuracy, and efficiency in determining eligibility for the SNAP, Medicaid, and TANF programs.

- The plan incorporates HHSC initiatives, as well as recommendations from the State Auditor's Office, the statewide single audit, and U.S.D.A. Food and Nutrition Service SNAP Corrective Action Plans.

Comprehensive Management Improvement Plan

- **CMIP covers approximately 60 recommendations and contains more than 70 related project plans covering the following categories:**
  - Communication with Clients - phone systems, signage, forms, and Internet and web-based communication
  - Clerical Support - improved training and increased focus on customer service
  - Workforce Management - productivity standards, new hire mentoring, and improving training
  - Program Management and Monitoring Improvements - performance indicators and monitoring, system usability and capacity, and employee feedback mechanisms
  - Local Office Business Processes - improved office procedures to more efficiently answer client questions, resolve client issues, and provide services
  - Process and System Integrity - policies and procedures for case record management, case reviews for required documentation, improved automated controls, and other actions to strengthen program integrity and comply with corrective action plans
- **CMIP project progress is monitored regularly and issues are resolved by cross-divisional workgroups that involve executive management.**
- **Many projects are on target to be implemented in 2010.**

Under a waiver agreement with the Food and Nutrition Service, HHSC and the Texas Food Bank Network are piloting expanded eligibility assistance with local food banks.

- Waiver allows the food banks' contact with applicants to count as the required SNAP interview, which will help reduce workload for eligibility offices
  - This eliminates a redundant step, which streamlines the application process for clients
  - State staff continue to determine eligibility after reviewing the applications for completeness and follow-up with applicants directly for any other information needed to make the eligibility decision
- Pilot began March 1, 2010, with the food banks in Dallas, Fort Worth, Houston, and San Antonio.
  - A total of 61 food bank staff have received HHSC training to conduct interviews.
  - As of August 16, the food bank staff have conducted 8,151 interviews.

	Houston Food Bank	North Texas Food Bank	San Antonio Food Bank	Tarrant Area Food Bank	Cumulative*
Interviews Conducted	4,167	2,563	1,742	604	9,076

*as of 08/30/10

-29-

Data from a representative sample of interviewed applications submitted to HHSC by the food banks shows the following:

- SNAP applications interviewed by the pilot food banks are being processed timely.

Expedited Application Timeliness

Benefit Month	CPI Project	
	Number Disposed	Disposed Timely
March 2010	75	100.0%
April 2010	195	100.0%
May 2010	232	96.5%

Non-Expedited Application Timeliness

Benefit Month	CPI Project	
	Number Disposed	Disposed Timely
March 2010	107	98.1%
April 2010	320	96.9%
May 2010	468	96.6%

- 100 percent of the sampled expedited applications received under the pilot were approved.
- An average of 88.4 percent of the sampled non-expedited applications received were approved each month.
- In April 2011, HHSC is scheduled to rollout a TIERS self-service option for CBOs that will allow automated data collection and reporting for the pilot.

Future Policy Considerations

Federal Health Care Reform will require HHSC to change the eligibility criteria and verifications for a large percentage of the current Medicaid caseload, as well as an estimated 1.2 million that will be newly eligible for Medicaid in 2014.

- HHSC is reviewing existing procedures and policies across programs to determine how to maximize efficiency to ensure that performance does not suffer as a result of continuing caseload growth.

- To this end, HHSC is analyzing options that will maximize the use of technology, improve customer service, and ensure program integrity. For example:
  - Provide an option for clients to receive notifications electronically rather than by mail.
  - Develop a phone or web-based system to automate client interviews.
  - Expand the use of electronic verifications to reduce the need to follow-up with applicants, which can delay receipt of benefits.
  - Align the various programs' policies where possible to aid eligibility workers in completing eligibility determinations.