

- SUBJECT:** Pilot for regional networks to share eligibility information with HHSC
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 7 ayes — Rose, S. King, J. Davis, Eissler, Hughes, Naishtat, Pierson  
0 nays  
2 absent — Herrero, Parker
- WITNESSES:** For — Ed Berger, SETON Family of Hospitals; Ann Kitchen, Indigent Care Collaboration; Kit Abney Speke, Insure a Kid; (*Registered, but did not testify*: Patricia Kolodzey, Texas Hospital Association; Patricia Young Brown, Travis County Healthcare District; Robin Herskowitz)  
Against — None
- BACKGROUND:** The Texas Integrated Eligibility Redesign System (TIERS) is a web-based application that is being developed to replace Texas' 35-year-old existing eligibility and enrollment system. The state contracted with Deloitte Consulting LLP beginning in 2001 to create TIERS, and a group of contractors led by Accenture, LLP assumed control of TIERS maintenance in June 2005. TIERS currently performs eligibility functions for all clients in Travis, Hays, and Williamson counties. The system was intended to be rolled out to the rest of Texas on a region-by-region basis, but the rollout timeline was delayed following performance problems with the first rollout of TIERS to a pilot region. The Accenture contract for TIERS maintenance was terminated on March 13, and Accenture will be transitioning TIERS maintenance duties back to Deloitte.
- DIGEST:** HB 321 would require the Health and Human Services Commission (HHSC) to establish a pilot project in at least one urban area of the state to determine the feasibility, costs, and benefits of accepting the direct importation of electronic eligibility information from an electronic system operated by a regional indigent care collaborative system.  
  
An area selected for the pilot would have to possess a functioning indigent care collaborative system that included a network of providers and assessed eligibility for health and human services (HHS) programs using electronic systems. The collaborative's electronic systems would be

required to interface with electronic systems managed by the commission to enable HHSC to import application and eligibility information regarding applicants for HHS programs.

In establishing this pilot project, HHSC would:

- focus on creating a project in which electronic applications for indigent care created by a regional indigent care network could be shared with HHSC to facilitate enrollment in programs administered by HHSC;
- solicit and obtain support for the project from local officials and indigent care providers;
- ensure that only providers or other entities participating in the pilot could access identifying and descriptive information on participants; and
- ensure that the storage and communication of all identifying and descriptive information included in the project complied with existing federal and state privacy laws governing individually identifiable information for recipients of public benefits programs.

Not later than December 1, 2008, HHSC would assess the cost-effectiveness, efficacy, efficiency, and benefits of using electronic eligibility information imported from electronic systems operated by regional indigent care collaborative systems. HHSC also would report the findings of the pilot to the appropriate House and Senate standing committees.

If a state agency determined that a federal waiver or authorization was necessary to implement the provisions of the bill, the agency would have to request the waiver or authorization and could delay implementation of the affected provisions until the authorization or waiver was granted.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007. HHSC would be required to implement the pilot program no later than 180 days after the effective date.

**SUPPORTERS  
SAY:**

HB 321 would offer a measured approach to developing and testing a system that could enhance the accuracy and decrease the costs of the eligibility determination system in Texas. Certain local and regional indigent care networks already use web-based applications to input client

data and determine eligibility for local, state, and federal HHS programs. If the network determines that a person would qualify for benefits administered by HHSC, the network refers the person to HHSC, where the person provides largely the same information for the HHSC eligibility determination process. This duplicates efforts and discourages some indigent citizens from seeking state and federal assistance because they do not want to face the hassle of pursuing HHSC administered benefits when they could lean on charitable care from overburdened community organizations and hospitals.

HB 321 would allow a person to provide eligibility information one time to the pilot region's network staff, and this information would be transmitted directly to TIERS via the interface. If the staff person determined the person would be eligible for HHSC administered benefits, HHSC eligibility staff would not have to re-enter information. Use of network staff also would decrease data entry errors and the number of cases that HHSC would review because the network could screen out potential applicants that the network recognized were not be eligible.

In addition, one of the greatest sources of delay in determining eligibility for HHSC administered programs is that applicants do not provide all the information necessary to process their applications. They sometimes misunderstand confusing questions on applications and the rules by which HHSC calculates income data. Regional network staff could assist applicants in compiling application materials and accurately responding to application questions. This would provide yet another source of efficiency in the eligibility determination process, because HHSC would not have to waste time reviewing materials for missing information and subsequently mailing missing information requests requiring further processing. If a regional network provider could help a person submit an application electronically, it would avoid a multitude of processing steps for a paper application submitted to HHSC, including mail room processing, document imaging, data entry, and performing the missing information process.

All the efficiencies gained could decrease demands on state workers who currently are not meeting federal timeliness standards due to backlogs. This also would increase processing accuracy by allowing state workers to spend more time on cases. Resolving these issues would enhance outcomes for clients because they would receive benefits more quickly and there would be fewer mistaken denials of eligible applicants. The

scale of these potential outcomes would be measured by the report required in HB 321 on the pilot's performance. In the long-term, statewide use of an interface between HHSC eligibility systems and local providers could reduce the number of eligibility staff that the state would have to employ.

Any costs involved in completing development of the TIERS interface would be well worth the long-term return of decreased staffing needs and increased accuracy in the applicant information submitted for eligibility determination. Because HB 321 would be a pilot, any issues encountered with the system would occur in an isolated area and could be addressed quickly. This would provide reasonable review of the success of the program before it was implemented statewide.

OPPONENTS  
SAY:

While HB 321 could have significant long-term benefits, the timeline provided in this bill would be too aggressive to allow HHSC to develop a quality, cost-effective system. HHSC, in coordination with its eligibility contractors, currently is creating the technical architecture necessary to import data in the manner proposed by this bill, with a targeted timeline for internal testing in March or April of next year. HHSC plans to attain the capability to interface with external entities to import eligibility information by September 2008. This timeline would give HHSC sufficient opportunity to develop and test new TIERS interface functionality for the state call center and other internal tasks. Through conducting internal testing first, HHSC could ensure that the new interface capabilities were sound and could correct potential issues before opening the system up to external providers.

In order to meet the timeline of HB 321, HHSC and the collaborative network would need to conduct side-by-side software development processes. This would increase the likelihood of errors and could increase costs for development of the external party's software. The collaborative network likely would have to rework its software multiple times in response to changing requirements issued by HHSC as the agency developed TIERS changes. If, instead, the collaborative network waited until HHSC had tested and finalized requirements for the interface, the collaborative network would not have to waste time and funding to repeatedly redesign its eligibility application.

Most importantly, an escalated timeline would introduce more opportunity for system error and would not leave time for adequate testing. The failure

of the first rollout of the integrated eligibility system, including the use of TIERS in the pilot region in January 2006, demonstrated the dangers of aggressive timelines and insufficient testing. The performance problems associated with the first integrated eligibility pilot led to inappropriate denial of benefits and delay in the receipt of benefits for a great deal of eligible people. The state should have ample time to test the new interface before deploying it to external networks so that the state would not risk disruptions for those who need HHS benefits.

The fiscal note indicates that the cost of the bill could not be determined due to the proposed implementation timeline. HHSC indicated to the Legislative Budget Board that development of the required interfaces might not be possible within the six-month time frame required in the bill. It would be a particularly complicated process to impose an escalated timeline on TIERS development efforts now given the transition of TIERS maintenance from Accenture to Deloitte. HHSC must contract for development of changes to TIERS, and an escalation in the timeframe likely would increase contract charges to develop the interface because it could require more staff to design, program, and test the changes within a shorter timeline.