

Written Testimony
House Government Efficiency and Reform Committee
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Tracy Henderson, Chief Financial Officer
Health and Human Services Commission

About HHSC

The mission of the Health and Human Services Commission (HHSC) is to maintain and improve the health and human services system in Texas and to administer its programs in accordance with the highest standards of customer service and accountability for the effective use of funds.

HHSC oversees the operations of the health and human services system, provides administrative oversight of Texas health and human services programs, and provides direct administration of some programs.

System Oversight

The Texas health and human services (HHS) system includes five agencies, four of which operate under the oversight of the Health and Human Services Commission:

- Health and Human Services Commission (HHSC)
- Department of Aging and Disability Services (DADS)
- Department of Assistive and Rehabilitative Services (DARS)
- Department of Family and Protective Services (DFPS)
- Department of State Health Services (DSHS)

Together, these five agencies comprise about 25 percent of the total state budget and administer more than 200 programs, such as Medicaid, Child Protective Services, State Hospitals, State Supported Living Centers, Early Childhood Intervention, and regulatory and licensing functions.

Interagency Contract Process

Each of the HHS agencies uses interagency contracts to pay for and/or receive payment for the provision of services within and external to the HHS system. Interagency services require either an agreed upon Interagency Contract (IAC) or a Memorandum of Understanding (MOU) between the agencies. Interagency payments made and received are processed in accordance with the Comptroller's Accounting Policy Statement 014 - Interagency Payments and Receipts for Goods and Services.

HHS Agencies Making Payment or Providing Funding for Services

Most HHS interagency contracts are used by HHS agencies to make payments to other agencies that provide services. The payments are for administrative services or for programmatic purposes.

Following are examples of administrative payments made to other state agencies by the HHS system:

Administrative Services Provided by Other State Agencies and Paid for by HHS Agencies	
Department of Information Resources (DIR)	<ul style="list-style-type: none"> • Data center services • Call center network support • Wide Area Network (WAN) service
State Office of Risk Management (SORM)	<ul style="list-style-type: none"> • Workers compensation
Facilities Commission (TFC)	<ul style="list-style-type: none"> • Facility management services in state-owned facilities (utilities and support services such as security, janitorial, et al) • Specific repairs to certain state-owned facilities
State Office of Administrative Hearings (SOAH)	<ul style="list-style-type: none"> • Hearings and appeals
Workforce Commission (TWC)	<ul style="list-style-type: none"> • Reimbursements for unemployment compensation payments

Office of State-Federal Relations (OSFR)	<ul style="list-style-type: none"> • Provides office space in Washington D.C.
Department of Criminal Justice (TDCJ)	<ul style="list-style-type: none"> • Furniture (Texas Correctional Industries)
Department of Public Safety (DPS)	<ul style="list-style-type: none"> • Criminal history background checks for Medicaid providers and certain employee hiring
Department of Transportation (TXDoT)	<ul style="list-style-type: none"> • Use of state-owned aircraft (Aviation Division)
Comptroller of Public Accounts (CPA)	<ul style="list-style-type: none"> • Project ONE (Enterprise Resource Planning Project)
State Auditor's Office (SAO)	<ul style="list-style-type: none"> • Conducts audits

These are examples of programmatic services provided by other state agencies on behalf of the HHS system:

Programmatic Services Provided by Other State Agencies for HHS Agencies	
Workforce Commission (TWC)	<ul style="list-style-type: none"> • DFPS – Pass-through of federal Child Care and Development Funding (CCDF) • DFPS – Payments for providing protective day care, foster day care, and relative caregiver day care supports and services
Higher Education Coordinating Board (HECB)	<ul style="list-style-type: none"> • HHSC – Payments to process reimbursement of medical school loans to certain Medicaid providers under the <u>Frew</u> consent decree • DSHS – Payments for the Emergency and Trauma Care Partnership Program
Veterans Land Board (VLB)	<ul style="list-style-type: none"> • DADS – Payments to State Veterans Homes

Department of Insurance (TDI)	<ul style="list-style-type: none"> • HHSC – Pass-through of federal State Health Access Program (SHAP)
Juvenile Probation (JPC)	<ul style="list-style-type: none"> • DFPS – Pass-through of Foster Care IV-E funds for certain children referred to county juvenile probation departments

HHS Agencies Receiving Payment or Funding to Provide Services

Generally, HHS agencies do not provide services that are billed to other state agencies. There are a few instances in which HHS agencies receive funding from other state agency to provide specific services.

Some programmatic services provided by HHS agencies that are paid for by other state agencies include:

Programmatic Services Provided by HHS Agencies to Other State Agencies	
Education Agency (TEA)	<ul style="list-style-type: none"> • DARS – Receives pass-through of Foundation School Funding for Early Childhood Intervention (ECI) contractors • DARS –Receives pass-through of Part B funding used to initially evaluate ECI children
Department of Criminal Justice (TDCJ)	<ul style="list-style-type: none"> • DSHS – Receives funding to match Medicaid funding for Mental Health Targeted Case Management
Department of Agriculture (TDA)	<ul style="list-style-type: none"> • DADS – Receives National School Lunch Program funds for residents in State Supported Living Centers
General Land Office (GLO)	<ul style="list-style-type: none"> • DADS – Receives oil and gas royalties and lease bonuses

These are examples of administrative services provided by HHS agencies that are paid for by other state agencies:

Administrative Services Provided by HHS Agencies Paid by Other State Agencies	
Department of Agriculture (TDA)	<ul style="list-style-type: none">• HHSC – Receives payment from TDA to reimburse HHSC for shared space in a leased facility
Cancer Prevention Research Institute of Texas (CPRIT)	<ul style="list-style-type: none">• HHSC – Receives funding to process payroll for CPRIT employees

The interagency contracting process provides a tool used by HHSC to manage its administrative oversight of Texas health and human services processes and programs.