



## **HHS Circular C-051**

### **Centralized Administrative Support Services and Agreements**

#### **Purpose**

To comply with Senate Bill 200, 84<sup>th</sup> Texas Legislature, Regular Session, 2015, requires for the Executive Commissioner to establish an efficient and effective system of centralized administrative support services provided by the Health and Human Services Commission (HHSC).

This circular establishes the policy for implementing a centralized system of administrative services through developing support services agreements (SSAs) that will ensure health and human services (HHS) agencies and programs receive adequate support. This circular will also ensure that administrative service areas work collaboratively together to support the needs of the HHS agencies and HHSC programmatic divisions. In addition, this circular and associated SSAs will allow the HHS system to:

- create clear lines of accountability for the provision of administrative support services;
- provide for the effective oversight and governance of administrative support services;
- evaluate system-wide performance and delivery of administrative support services; and
- increase efficiencies in providing administrative support services.

#### **Background**

In 2003, House Bill (H.B.) 2292 transformed the HHS system by consolidating 12 agencies into five under the direction of HHSC. In addition, the H.B. 2292 set out a clear directive to consolidate, at HHSC, administrative services that support program operations across the system. Senate Bill 200 revisits that original directive and underscores the need for HHSC to plan and implement an efficient and effective centralized system of administrative services and to ensure a strong connection between these services and the programs they support. Senate Bill 200 directs a centralized structure for:

- strategic planning and evaluation;
- audit;
- legal;
- human resources;
- information resources;
- purchasing;



- contracting;
- financial management; and
- accounting services.

Although HHSC worked to unify these functions during the decade since HB 2292, Senate Bill 200 emphasized the need to complete that effort. As such, staff-lead workgroups formed to recommend a structure that best provides clear accountability and supports program needs. The workgroups identified areas that demonstrate the highest potential for functional consolidation or structural change, with the goal of achieving efficiencies and systems improvement.

To that end, Financial Services, Information Technology (IT), Procurement and Contracting Services (PCS), and System Support Services are collectively grouped under the Chief Operating Officer to create the Administrative Services Division. As decided in Action Memos approved by the Executive Commissioner, additional consolidation will occur within Legal Services, Internal Audit, and External Relations. HHSC will implement these organizational changes using a phased-in approach with identified milestones over several years to mitigate any risk of service disruptions during the transition.

To ensure administrative focus remains on supporting programs' needs, the Chief Operating Officer will facilitate regular meetings between each of the programmatic and administrative services areas. This coordination will enhance ongoing communication about day-to-day and strategic operations. The Transformation Office and the Policy and Performance Office will also participate to identify and enhance these linkages.

In addition to Senate Bill 200 requirements, Senate Bill 207, 84<sup>th</sup> Texas Legislature, Regular Session, 2015, governs the specific administrative support services provided by the HHSC Executive Commissioner to the Inspector General. While a separate memorandum of understanding (MOU) between the Executive Commissioner and Inspector General exists, the requirements of this Circular are similar to the requirements of the MOU. The Inspector General will also have similar SSAs with the HHSC administrative support areas, including Financial Services, IT, PCS, System Support Services, Legal Services, Internal Audit, and External Relations.

## **References**

- Texas Government Code, Section 531.00553, related to administrative support services.
- Texas Government Code, Section 531.02012, related to the transfer and consolidation of administrative support services functions.
- Texas Government Code, Section 531.102, related to administrative support services for the Inspector General.



## **Directive**

This circular applies to all HHS agencies, HHSC programmatic divisions, and HHSC administrative support areas, including:

- HHS agency commissioners for HHSC, Department of Aging and Disability Services, the Department of Family and Protective Services, and the Department of State Health Services;
- HHSC Chief Operating Officer;
- HHSC Deputy Executive Commissioner for Transformation;
- HHSC Deputy Executive Commissioner for Policy and Performance;
- HHSC Deputy Executive Commissioner for Medical and Social Services;
- HHSC Deputy Executive Commissioner for Information Technology;
- HHSC Deputy Executive Commissioner for Procurement and Contracting Services;
- HHSC Deputy Executive Commissioner for System Support Services;
- HHSC Deputy Executive Commissioner for Financial Services;
- HHSC Deputy Executive Commissioner for Regulatory Services;
- HHSC Deputy Executive Commissioner for State Operated Facilities;
- HHSC Chief Counsel;
- HHSC External Relations Director; and
- HHSC Internal Audit Director.

## **Policy**

### Consolidated Administrative Support Services Structure

The HHS System Transition Plan provides the vision, structure, and timeframe for the transfer of functions necessary to implement a more centralized system of administrative support services. The transition plan is further supported by a series of Action Memorandums that provide additional context and detail for consolidating administrative support services.

### Administrative Support Services

As required by Texas Government Code, Section 531.02012, HHS agencies, HHSC programmatic divisions, and HHSC administrative support areas must work together on the provision of administrative support services to ensure:

- programs receive and retain adequate administrative support services to meet their business and operational needs; and
- close collaboration and linkages exist between HHSC administrative support service areas and HHS agencies and HHSC programmatic divisions.



As required by Texas Government Code Section 531.00553, to ensure accountability in providing administrative support services, HHS agencies, HHSC programmatic divisions, and HHSC administrative support areas must enter into an MOU or other type of similar agreement. In response to the requirement and to ensure programs' business needs are met, HHSC administrative support areas will develop SSAs to address, at a minimum, the following elements:

- roles and responsibilities for HHS agencies, HHSC programmatic divisions, and HHSC administrative support areas;
- baseline services provided by HHSC administrative support areas;
- supplemental services provided by HHSC administrative support areas that are unique to a specific HHS agency or HHSC programmatic division and that are in addition to baseline services;
- information on contracts related to administrative support services, as applicable;
- performance goals and measures;
- data and information sharing requirements;
- description of any staffing transfers or impacts, as applicable;
- fiscal implications, as applicable;
- reporting requirements;
- escalation policy for resolving issues or addressing the need for critical services;
- points of contact; and
- other elements as determined by the HHSC Executive Commissioner.

#### Performance Measures

In coordination with the HHS agencies, HHSC programmatic divisions, and the Policy and Performance Office, the HHSC administrative support areas will establish performance goals and measures to monitor progress towards achieving performance milestones; evaluate the impact that administrative support services consolidation has on programs; and ensure ongoing accountability and responsiveness to programs. Any vendor providing services through an administrative support area are subject to the same performance measures as those established for that administrative area. These performance measures will be included in SSAs, incorporated into quarterly operational plans, and discussed in regularly occurring HHS leadership meetings. The Chief Operating Officer will administer the performance reporting process.

#### Requests for Obtaining Support Service by Alternative Means

As authorized by Texas Government Code, Section 531.02012, an HHS agency or HHSC programmatic division may request permission from the Executive Commissioner to find an alternative way of addressing an administrative support need. The Executive Commissioner, or



designee, has the sole authority to approve, modify, or deny all requests to use alternative means for a support service. An approved request must be documented in the appropriate SSA.

All exception requests must:

- be submitted to the HHSC Chief Operating Officer and go through the Action Memorandum process for Executive Commissioner approval;
- address a support service previously provided in an SSA or, if a new service, attempted to be negotiated for inclusion in an SSA;
- include the rationale for the request, including detailing any performance issues; and
- include an analysis of the benefits and fiscal impact of the proposed alternative.

#### Review and Update Process

The Chief Operating Officer owns all SSAs and is responsible for coordinating annual updates to the agreements. This circular and associated SSAs will be reviewed and updated at least annually to ensure programs continue to receive needed support services. This process will ensure that HHS agencies, HHSC programmatic divisions, and administrative support areas regularly evaluate and identify any customer service or performance issues that needs to be addressed in updated agreements.

#### **Responsibilities**

HHS agencies, HHSC programmatic divisions, and HHSC administrative support areas are responsible for implementing the policies outlined in this circular and associated SSAs. Implementation may include the delegation of responsibilities as necessary.

#### **The HHSC Executive Commissioner:**

- Reviews and approves all SSAs, including:
  - Legal Services;
  - Internal Audit;
  - External Relations;
  - Information Technology;
  - Financial Services;
  - Procurement and Contracting Services;
  - System Support Services; and
  - Policy and Performance.



- Retains final decision authority on all service needs issues escalated through the reporting process specified in this circular.
- Reviews and approves all requests to obtain services by other means.
- Regularly evaluates and oversees performance measures.

#### **The HHSC Chief Operating Officer**

- Owns and updates HHS Circular C-XXX, Centralized Administrative Support Services and Agreements, annually.
- In consultation with HHS agencies and HHSC programmatic divisions, owns, develops, updates, and approves SSAs annually.
- Oversees and facilitates the request process for obtaining administrative support services by other means.
- Escalates issues related to the provision of administrative services to the Executive Commissioner.
- Coordinates the development and implementation of corrective action plans for administrative support areas that do not consistently meet established performance goals or provide adequate support to HHS agencies or HHSC programmatic divisions.
- Assists in developing and monitoring performance measures for administrative support areas.
- Serves as the central repository for all signed SSAs.

#### **The HHSC Deputy Executive Commissioner for Policy and Performance:**

- In consultation with HHS agencies, HHSC programmatic divisions, and HHSC administrative support areas, assists in developing and updating performance goals and measures for SSAs annually.

#### **The HHSC Chief Counsel:**

- Reviews and approves SSAs prior to submitting finalized agreements to the Executive Commissioner and Chief Operating Officer for signature, and provides consults as needed.

#### **The HHSC Administrative Support Services Areas:**

- In collaboration with HHS agencies and HHSC programmatic divisions, defines the type and level of administrative support services provided to ensure adequate support.
- Clearly defines policies and procedures governing roles and responsibilities, as well as identifies points of contact to support efficient interaction and communication with HHS agencies and programs.



- Provides administrative support services and technical assistance to their respective HHS agency and program customers, as specified in the SSAs.
- Works collaboratively with other administrative support areas as needed to ensure HHS agencies' and HHSC programmatic divisions' needs are met.
- Works collaboratively with HHS agencies and program areas to develop performance measures.
- Reports on measures and performance issues through the quarterly operational reports.
- Works collaboratively with HHS agencies and HHSC programmatic divisions to resolve performance or service issues.
- Regularly evaluates the efficiency and effectiveness of administrative support services and determines means to improve service delivery, including seeking internal stakeholder input on the performance of the administrative support area and any gaps in the services provided.
- In coordination with the Chief Operating Officer, develops and implements corrective action plans when an administrative support services area does not consistently meet established performance goals or provide adequate support to HHS agencies or HHSC programmatic divisions.
- Ensures sharing of data and information as needed to carry out their functions.
- Provides quality customer service.

#### **The HHS Agencies and HHSC Programmatic Divisions:**

- Clearly defines administrative support needs, and in collaboration with HHSC administrative support areas, participates in developing and updating SSAs.
- Complies with policies and procedures governing the roles, responsibilities, and provision of support services.
- Works collaboratively with the administrative support services areas and Policy and Performance to develop performance measures.
- Clearly documents and communicates to the administrative support services area any performance issues.
- Works collaboratively with administrative support area to resolve performance or service issues.
- Works collaboratively with administrative support areas to evaluate the efficiency and effectiveness of support services, and recommends improvements to service delivery.
- Ensures sharing of any data and information needed by the administrative support area to determine service needs and adequacy of service levels as provided for in the SSA.

#### **Inquiries**

Inquiries concerning the content of this circular should be directed to Heather Griffith Peterson, HHSC Chief Operating Officer, by email at [Heather.GriffithPeterson@hhsc.state.tx.us](mailto:Heather.GriffithPeterson@hhsc.state.tx.us).