



Report to the Transition
Legislative Oversight Committee

August 2016

Health and Human Services System
TRANSITION PLAN





TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHARLES SMITH
EXECUTIVE COMMISSIONER

August 19, 2016

The Honorable Jane Nelson, Co-Chair
Transition Legislative Oversight Committee
State Capitol Building, Room 1E.5
Austin, Texas 78701

The Honorable Four Price, Co-Chair
Transition Legislative Oversight Committee
State Capitol Extension, Room E2.610
Austin, Texas 78701

Dear Chair Nelson and Chair Price:

I am proud to present the revised 2016 Transition Plan which serves as the blueprint for the Health and Human Services (HHS) System transformation. Pursuant to Senate Bill 200, we submitted a draft plan for your consideration in March. This updated plan incorporates changes based on feedback received from the Transition Legislative Oversight Committee, external stakeholders, members of the public, and agency employees.

The enclosed plan outlines the ongoing work to restructure the HHS system, improve service delivery, and enhance accountability. The transformed system consolidates client services in a single Medical and Social Services Division at the Health and Human Services Commission beginning in September 2016, and establishes regulatory services and state operated facilities divisions in 2017. The plan also describes the structure and timeline for consolidation of administrative services.

While the initial work is structural, additional integration of services and supports will occur over time. As the HHS System continues to transform, we remain focused on our mission – improving the health, safety, and well-being of Texans through good stewardship of public resources. I look forward to working with you throughout the transformation process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles Smith".

Charles Smith

Enclosure

cc: Governor Greg Abbott
Speaker Joe Straus
Senator Juan "Chuy" Hinojosa
Representative Cindy Burkett
Representative Toni Rose
Mr. Billy Hamilton
Mr. Ken Levine, Sunset Advisory Commission

Lt. Governor Dan Patrick
Senator Brian Birdwell
Senator Charles Schwertner
Representative Richard Peña Raymond
Mr. John Colyandro
Ms. Ursula Parks, Legislative Budget Board

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Introduction

Introduction

Every day, millions of our state’s most vulnerable residents depend upon the Texas Health and Human Services (HHS) system for a wide range of vital benefits and services – everything from Medicaid and food benefits to public health programs; protection from abuse, neglect, and exploitation; and long-term services and supports for older individuals and individuals with disabilities. Collectively, this system performs one of the most noble and essential functions in state government.

In 2003, the 78th Texas Legislature approved House Bill 2292, consolidating 12 HHS agencies into five. In the ensuing 10 years, HHS worked to provide services under this streamlined model. When the Sunset Commission began its almost two-year analysis in 2013, that review was the first formal measure of the previous consolidation. The findings and recommendations of the Sunset review formed the basis for the 84th Texas Legislature’s directive to transform today’s HHS system.

With the passage of that legislation, the HHS system was given an opportunity to develop a more streamlined, efficient organization that provides services and benefits more effectively. Senate Bill 200 outlines a phased approach to this restructuring. The first phase transfers the following programs and functions to the Health and Human Services Commission (HHSC) by September 1, 2016: client services other than vocational rehabilitation-related programs at the Department of Assistive and Rehabilitative Services (DARS), client services at the Department of Aging and Disability Services (DADS) and the Department of State Health Services (DSHS), and administrative services that support those respective client services of the HHS system. As a result of this transfer and the transfer of other programs to the Texas Workforce Commission (TWC), DARS will be abolished on September 1, 2016. Additionally, effective May 1, 2016, the Nurse Family Partnership and Texas Home Visiting programs transferred from HHSC to the Department of Family and Protective Services (DFPS), which will continue its focus on protective services.

The passage of Senate Bill 200 gives HHS an opportunity to develop a more fully streamlined, efficient system that more effectively provides services and benefits.

In the second phase, regulatory programs as well as management of the operations for state supported living centers and state hospitals will transfer to HHSC by September 1, 2017, and DADS will be abolished. After these transfers, DSHS’ streamlined structure will focus on its core public health functions.

While the Sunset review and Senate Bill 200 provide the impetus for restructuring the HHS system, this transformation will go beyond that initial direction, changing not only the system’s organization, but also the way it delivers services.

The goals are to produce an accountable, organized system that is easier to navigate for Texans seeking information, benefits, or services; promote a culture of shared responsibility for success through teamwork, effective communication, and support of HHS staff; create clear lines of accountability for decision making; and use data to measure outcomes more clearly. Coordination among interdependent areas across the system to facilitate communication, program improvement, and accountability is imperative.

For transformation to succeed, the HHS system must plan, deliver, and evaluate services with a focus on improving the health, safety, and well-being of Texans, as well as promoting the vision of making a meaningful difference in the lives of those it serves.

The first step in the transformation process began on September 1, 2015, when the Health and Human Services Executive Commissioner established the Transformation, Policy and Performance Office to coordinate these efforts. Staff in this office facilitate the creation of a new structure, guide the various workgroups involved, manage stakeholder input efforts, and coordinate all transformation activities.

Initial transformation activities began with a system-wide, in-depth analysis that catalogued the functions of each program within HHS, noting interdependencies throughout the system. The Executive Commissioner appointed more than 200 representatives from all HHS agencies and the Office of Inspector General to 13 workgroups, each of which focused on a core program function or administrative support service. To begin, each group discussed the functional analyses, considered stakeholder input, and developed high-level recommendations for a more functional, responsive, and efficient structure of its assigned area. The groups identified advantages and risks of each potential change, as well as how those risks could be mitigated.

Stakeholders provided input on the restructuring of the HHS system at eight public hearings held across the state between December 2015 and January 2016. HHSC also released two online surveys seeking input from external stakeholders and HHS employees on specific aspects of the transformation, including how to improve services and identify best practices. For a summary of feedback, see Appendix A.

In March 2016, HHSC published an initial draft of this plan which was then presented to the Transition Legislative Oversight Committee (TLOC) at a public hearing. In April, TLOC provided feedback based on the requirements in SB 200 and public testimony received at the hearing. The input emphasized the importance of creating an Administrative Services Division to ensure a more efficient, consolidated structure that supports HHS programs, and underscored the need to have all client services within a single division to improve client navigation of the system, enhance coordination of services, and improve continuity of care.

Feedback from TLOC, along with the workgroups' recommendations and the input received by external stakeholders and employees, was given to agency leadership to further examine and build the initial HHS structure for 2016. The results of this analysis are illustrated in the organizational charts in this report.

In addition, leadership identified certain topics that need to be examined more carefully over the course of the coming year, including regional reporting structures. These decisions will be finalized by September 1, 2017.

This report reflects a thoughtful, measured approach to consolidation. As transformation began, the greatest challenges were how to restructure the largest, most complex areas of the HHS system within a tight timeframe and ensure no negative impact to services. Mitigating risks necessitates a multi-step process – broader structural moves first, more in-depth, detailed consolidation second. As such, many of the transformation benefits begin in the second phase of work that addresses program optimization and best practices.

The following sections describe the new system's planned structure and programmatic moves for 2016 and 2017 which establish the foundation for more substantial integration that will occur methodically over the coming years. This work will continue with a more in-depth focus on program operations within the transformed structure – with the continued goal of breaking down organizational silos, better connecting similar functions, and continuously improving the HHS system.

Summary of the System ---

Health and Human Services Overview

Summary:

In January 2016, workgroups proposed an initial organizational structure for the transformation of the HHS system. Incorporating feedback from TLOC, agency subject-matter experts and system leadership have continued work to determine how those initial structures could be put into place. Since March 2016, the following changes were made to the overall structure.

- Reduced the number of direct reports to the Executive Commissioner from 11 to eight.
- Combined client services into a single Medical and Social Services Division reporting to a Deputy Executive Commissioner.
- Created an Administrative Services Division comprised of information technology (IT), financial services, procurement and contracting services, and system support services which supports further consolidation of administrative services.
- Created a Chief Operating Officer position to oversee the Administrative Services Division, Transformation, Policy and Performance, as well as regulatory services beginning September 1, 2017.

Restructuring a system as vast and complex as health and human services requires knowledge of hundreds of programs and an understanding of how these programs are related. Over the past nine months, staff from various levels and backgrounds discussed how to build a structure that meets the needs of clients, as well as how to mitigate risks related to such a significant reorganization.

The transformed HHS system will consist of functionally aligned organizational areas, including DSHS and DFPS. Grouping similar programs and services makes it easier for clients to navigate the system. The new structure also eliminates the need for DARS and DADS to operate as separate agencies, merging their functions into HHSC on September 1, 2016 and September 1, 2017 respectively.

Additionally, the relationship between HHSC and the Office of Inspector General (OIG) is clarified, outlining the roles and responsibilities of this unique government structure.

Aligned with the HHS system's mission, business needs, and statutory responsibilities, the new structure creates a Medical and Social Services Division that makes it easier for people seeking information, benefits, or services; connects the State Operated Facilities Division with Medical and Social Services under the Chief Deputy Executive Commissioner to strengthen critical

HHS System Mission

Improving the health, safety and well-being of Texans through good stewardship of public resources.

HHS System Vision

Making a difference in the lives of the people we serve.

HHS System Values

Accountability: We operate in a manner that reflects honesty, integrity and reliability.

Collaboration: We work with clients, stakeholders, public and private partners, elected officials and our employees to make informed decisions and achieve excellence in service design and delivery.

Client-focused: We exist because people have needs, and we respect each and every person.

Independence: Our services and supports allow clients to reach their full potential.

Stewardship: We are focused on the appropriate use of resources entrusted to our care and use them efficiently, effectively and in a manner that builds public trust.

Transparency: We build confidence in our operations by being open, inclusive and holding ourselves accountable.

Diversity: We offer programs and services that value and respect the diversity of the State of Texas.

links between the two; and establishes a Chief Operating Officer to oversee the Administrative Services Division and ensure those consolidated functions remain connected to the programs they serve. This position will also oversee Transformation, Policy and Performance and the Regulatory Services Division creating a reporting structure that provides proper separation from program operations.

Executive leadership determined IT, financial services, procurement and contracting services and system support services would comprise the Administrative Services Division, while legal and internal audit would continue to report directly to the Executive Commissioner. The Office of the Ombudsman continues to report to the Chief of Staff.

The structure includes new cross-division coordination and improvement functions, which are replicated across various divisions, to better connect and integrate programs and services across the HHS system, continually evaluate and make improvements to service provision, and connect programs with administrative support.

The transformed structure will streamline service delivery by reducing fragmentation and inefficiency. This new system will seek to break down silos by better organizing and connecting similar functions, reducing the number of direct reports to the Executive Commissioner – allowing that role to focus more on strategic vision for policy and guiding the system instead of day-to-day agency operations – and clarifying lines of authority to improve accountability. Most importantly, transformation is an opportunity to create a structure that supports effective change to the way the system operates.

The functional chart on the following page illustrates the new, restructured HHS system that establishes a chain of command where the Chief Deputy Executive Commissioner serves as the agency head in the Executive Commissioner's absence. In the event both the Executive Commissioner and Chief Deputy Executive Commissioner are absent, system responsibilities fall to the Chief Operating Officer. The descriptions below summarize areas within the system and the following sections of the plan first describe client services at HHSC and the stand alone agencies followed by administrative services and the proposed 2017 transfers.

Medical and Social Services – Determines client eligibility serving as the entry point for services and providing information regarding access to services; oversees or provides client services, including aging services, community care, women's primary and preventative services, awareness and education services, behavioral health services, intellectual and developmental disability services, and rehabilitation services and supports; and develops policy, oversees provider and health plan contracts, and submits Medicaid State Plan amendments and waivers to the Centers for Medicare and Medicaid Services.

State Operated Facilities – Oversees the operations of state hospitals and state supported living centers.

Regulatory Services – Provides state and federally mandated oversight and risk reduction for individuals and entities through the use of policy and rules, education, licensing, credentialing, inspection, survey, investigation, and enforcement activities.

Aging and Disability Services (DADS) – Retains the following functions during the 2017 fiscal year: oversight of regulatory services and state supported living centers, Trust Fund Monitoring, Consumer Rights and Services Complaint Intake, Educational Services for Regulatory, State Long-term Care Ombudsman, and the administrative attachment for the Office of the Independent Ombudsman for SSLC.

Protective Services (DFPS) – Works with communities to provide prevention services and to protect

children, older Texans, and people with disabilities from abuse, neglect, and exploitation.

Public Health (DSHS) – Protects, promotes, and improves the health and wellness of communities and populations by encouraging healthy behaviors; detects, monitors, prevents, and controls the spread of infectious and chronic diseases; analyzes and reports disease trends; promotes injury prevention; identifies, treats, manages, prevents, and reduces threats to environmental health; and coordinates emergency response and preparedness efforts.

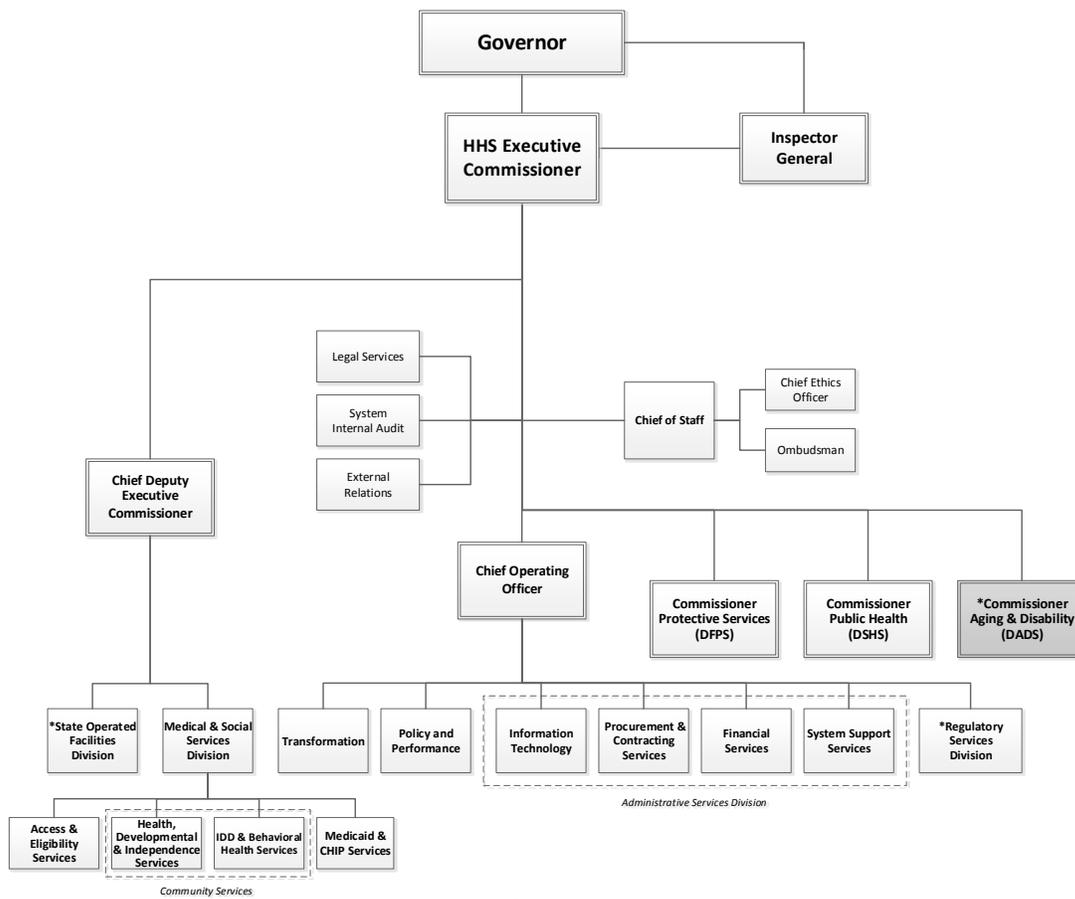
Office of Inspector General – Responsible for the detection, investigation, and prosecution of fraud in the HHS system.

Administrative Services – Consolidates IT, financial services, procurement and contracting services, and system support services under the Chief Operating Officer to ensure these consolidated functions remain connected to service delivery.

Transformation Office – Coordinates critical programmatic and organizational changes and oversees system improvement projects across all divisions.

Policy and Performance Office – Responsible for ongoing operations, policy and data management providing program evaluation and analytic support for day-to-day operations.

HHS System Structure



* On September 1, 2017, DADS ceases to exist and its remaining functions transfer to the Regulatory and State Operated Facilities Divisions.

Medical and Social Services

Summary:

Incorporating feedback from the Transition Legislative Oversight Committee and further analysis of the proposed structure, the following changes were made:

- Reduced the number of direct reports to the Chief Deputy Executive Commissioner.
- Created a single Medical and Social Services Division with four coordinated departments.
- Established high-level units to work across divisions and agencies regarding coordination of aging services, mental health, veterans services, and eHealth.
- Made minor modifications to the structures of each of the medical and social services departments to better align programs.
- Appointed Deputy Executive Commissioner on June 13, 2016.

By far the largest division in the HHS system, the structure for the Medical and Social Services Division establishes a foundation for continuous system improvement. Staff conducted a thorough analysis of all programs and services by meeting with subject matter experts, reviewing employee and other stakeholder input and identifying interdependencies among programs. The result of this work is a division structure with four coordinated departments: Access and Eligibility Services; Health, Developmental and Independence Services; Intellectual and Developmental Disabilities and Behavioral Health Services; and Medicaid and CHIP Services. Bringing together the programs that comprise these departments sets the stage to better coordinate access points and oversee service delivery.

The Medical and Social Services Division replaces the existing fragmented system by placing client services – including eligibility services, Medicaid activities, and community service programs – in one division under a single person’s purview. Creating a centralized structure that connects similar programs will make it easier for customers to locate and access a full array of services, and for the HHS system to better meet the needs of the whole person.

Medical & Social Services Defined

Programs and services designed to promote and improve the health and welfare of individuals through streamlined access to and delivery of medical and social services, including eligibility determinations, program enrollment and provision of financial and medical assistance, preventative care services, acute care services, and long-term services and supports; developing new service delivery models; ensuring network adequacy and quality service delivery through provider contracting; and overseeing the delivery of services and supports to ensure compliance with contractual agreements.

The need to connect services at the community level with the Medicaid program is greater than ever. The new structure groups all community-based services and connects them to Medicaid in ways not realized today with the goal of improving continuity of care regardless of which service is needed. For example, the structure allows for more coordinated services for people transitioning into and out of Medicaid, and coordinates the eligibility functions between Medicaid and the Access and Eligibility Services department.

This new structure also creates clearer lines of accountability, with the medical and social services programs reporting to the Chief Deputy Executive Commissioner through a single division head. This streamlined reporting structure allows issues to be elevated to leadership and resolved in a more coordinated fashion.

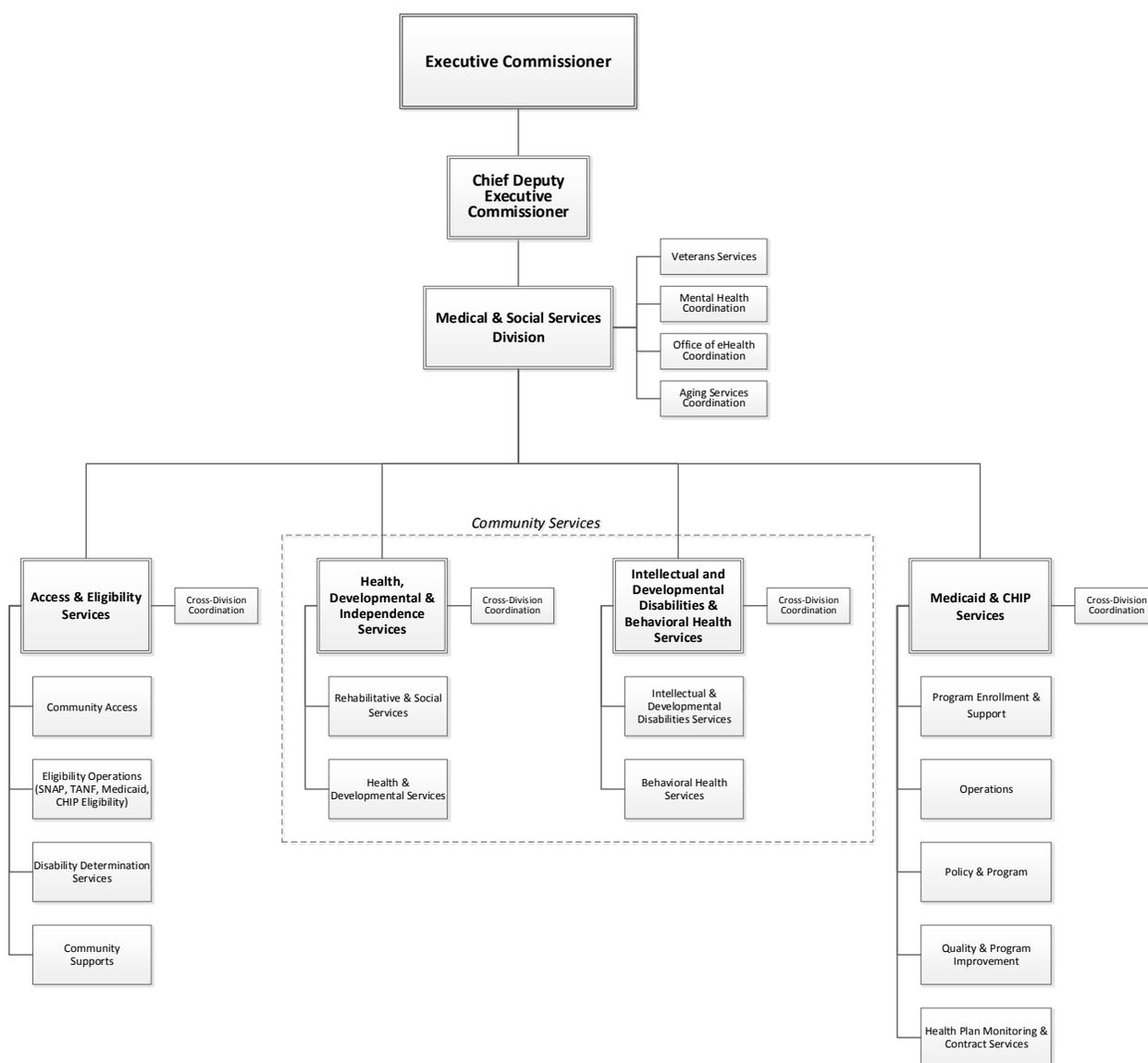
While the initial step in transformation is structural change, actual transformation comes from the improvement of system processes and increased coordination across departments as well as divisions. Paramount to the structure of a division this size is the creation of the cross-division coordination

and improvement units. These units help bring departments together as well as across the Medical and Social Services Division, and help identify areas for system improvements. Additionally, certain services are integral to various areas that stretch not only across divisions but across the entire HHS system, such as aging and veterans services, mental health services, and eHealth coordination. This structure better enables high-level coordination of these services across the system.

A key component of this structure will be to expand and encourage cross-division communication. Identifying staff in each area that focus on cross-division coordination and improvement mitigates any potential risks that may arise.

The functional chart below provides a high-level overview of how the Medical and Social Services Division will be structured. More detailed descriptions of the four departments in this division are included on the following pages.

Medical and Social Services Division



Access and Eligibility Services

The services provided by this department are critical and complex, requiring a structure that serves as the foundation for gradual integration and improvement. The new eligibility structure groups similar functions into four sections: Community Access, Eligibility Operations, Disability Determination Services, and Community Supports.

This configuration requires less structural change than other new divisions in the short term, but will lead to streamlined processes and increased coordination and integration over time. By aligning these services, this structure moves the system closer to the ultimate goal of creating a centralized approach to accessing services.

As part of the cross-division coordination unit, staff will coordinate across the HHS system to ensure strong connections between Access and Eligibility Services and the departments that provide services. Staff will work with the program areas that retain eligibility functions, such as when a community contractor provides the service, to create a more streamlined system and develop plans for using technology to effectively implement true integration of eligibility determination and client referral services. Future transformation can begin by determining what current eligibility data systems can be leveraged or improved to support further integration.

The functional chart on the following page illustrates how Access and Eligibility Services will be organized, and the descriptions below summarize each section within it.

Community Access – Provides information, application assistance and referral services for programs and services critical to individuals and families in need.

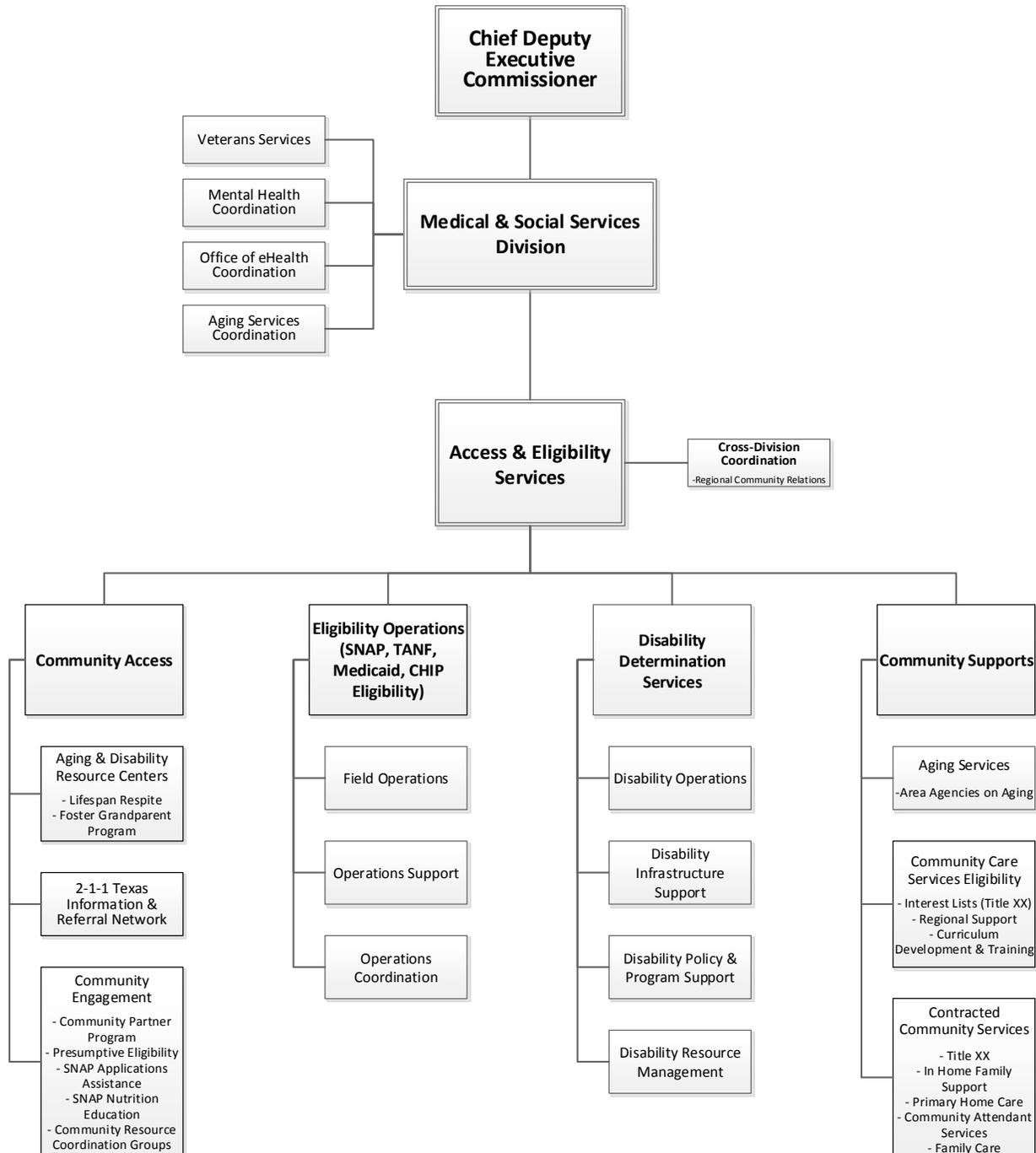
Eligibility Operations – Determines eligibility for programs such as Medicaid, CHIP, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Healthy Texas Women.

Eligibility Services Defined
Client Eligibility is the verification and documentation of whether a person meets or complies with a requirement necessary to qualify for a benefit or program or to participate in an activity.

Disability Determination Services – Makes disability determinations for Texans with severe disabilities who apply for Social Security Disability Insurance or Supplemental Security Income.

Community Supports – Helps aging individuals living independently or in the community; provides information and referral; determines functional/medical, and financial eligibility; and authorizes services for Community Services programs offering attendant, home delivered meals, and emergency response system services. This section also enrolls providers and manages contracts for community services providers.

Access and Eligibility Services Department



Community Services

Community Services consists of more than 70 programs serving millions of Texans. To ensure services are easy to find, similar programs are organized together based on the type of service provided or the population served. This centralizes the operating structure for similar programs and makes it easier for clients to navigate the full array of services. For example, medical and developmental programs serving children currently operated by both DSHS and DARS will transfer into the same section within Community Services.

Restructuring large programs that serve millions of people and smaller ones that may serve only hundreds does pose risks. The challenge of organizing so many non-Medicaid programs is further complicated by the diversity of services provided, ranging from overseeing mental health services to promoting healthy marriages, and the federal and state funding regulations applicable to specific programs. In addition, programs within Community Services are operated differently, some by state staff and others by community contractors.

Community Services Defined

Oversees or provides non-Medicaid client services, family services, awareness and education, women's primary and preventative services, children and youth services, primary and specialized services, behavioral health services, intellectual and developmental disability services, and rehabilitation services and supports.

There are benefits to the structure as well. Grouping these programs allows for the creation of more efficient and effective contracting processes for the outsourced programs and further improvements to the provision of all services. It will be vital for this area to have strong leadership and oversight and to continue working closely with stakeholders given the vast array of programs in the department.

The functional chart on the following page illustrates how community services programs will be organized into two departments: Health, Developmental and Independence Services and Intellectual and Developmental Disabilities and Behavioral

Health Services. The following descriptions summarize the types of programs that will fall into each department. Senate Bill 200 abolishes the Texas Office for the Prevention of Developmental Disabilities (TOPDD) effective September 1, 2017 and transfers the entity's functions to HHSC. TOPDD's functions will be incorporated into the Health, Developmental, and Independence Services Department.

Health, Developmental, and Independence Services

Rehabilitative and Social Services – Works with community-based organizations to help individuals make informed decisions, connects families with needed services, and helps people with traumatic brain or spinal cord injuries live independently in the community by providing access to rehabilitative services. Examples of programs include: Comprehensive Rehabilitation Services, Deaf and Hard of Hearing Services, Family Violence, and Healthy Marriages. The Board for Evaluation of Interpreters will transfer to this section on September 1, 2016 but HHSC continues to evaluate the appropriate organizational placement to support the certification program.

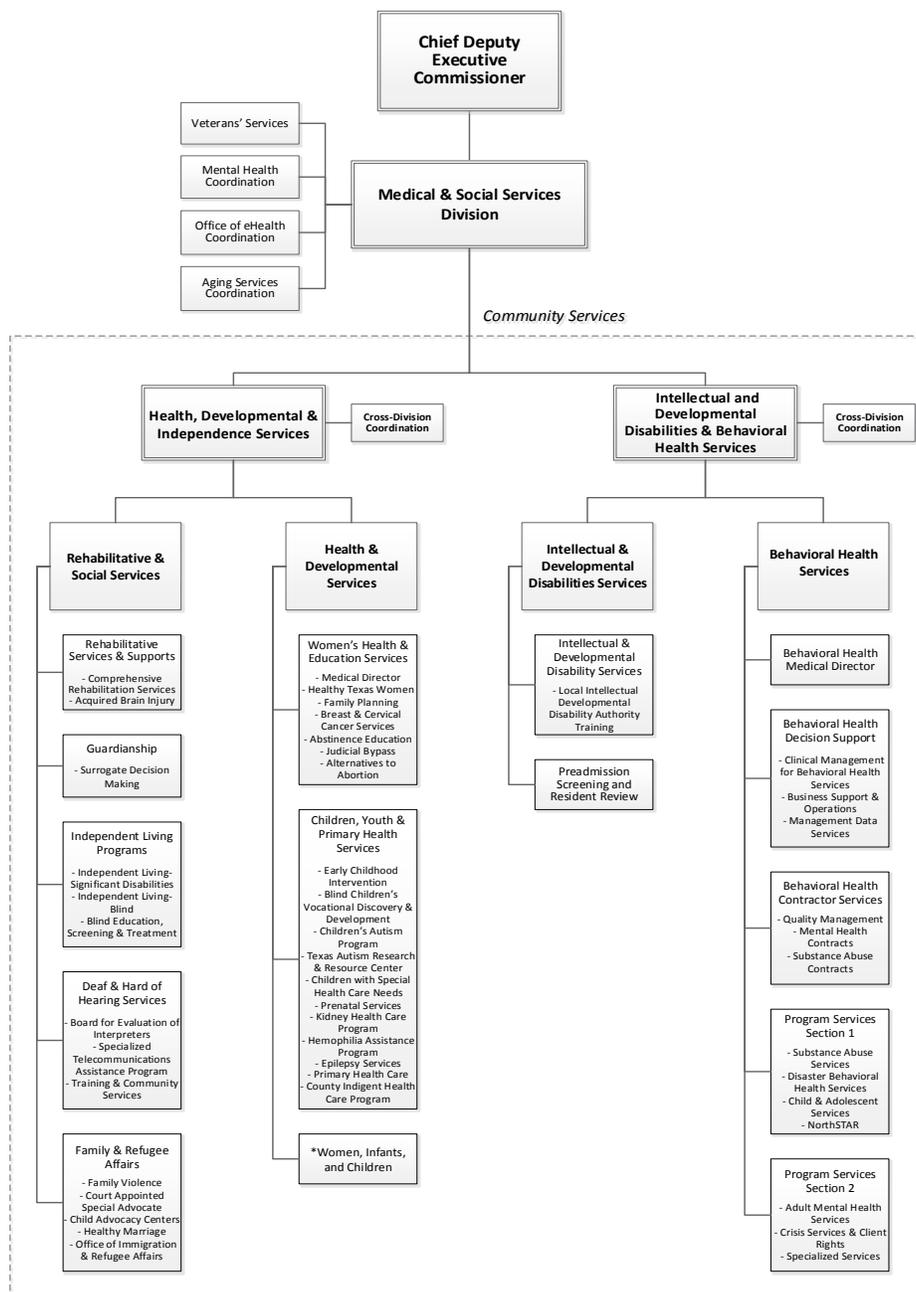
Health and Developmental Services – Oversees and provides reproductive and preventative health services to eligible women; assists children and youth with disabilities in meeting daily needs; and provides medical, preventative, and screening services to specific populations or to treat specific medical conditions. Examples of programs include: Healthy Texas Women, Early Childhood Intervention, Children's Autism, Children with Special Health Care Needs, and Kidney Health Care. Additionally, DSHS and HHSC are working with federal partners to obtain the necessary approvals to transfer the Women, Infants, and Children program from DSHS, which is slated for September 1, 2017.

Intellectual and Developmental Disabilities and Behavioral Health Services

Intellectual and Developmental Disabilities Services – Oversees intellectual and developmental disability services provided by Local Intellectual and Developmental Disability Authorities.

Behavioral Health – Oversees and contracts for community-based behavioral health (mental health and substance abuse) services to children and adults, which includes crisis services, out-patient services, local inpatient services, residential, prevention, and intervention services. Other supports include veterans mental health, jail diversion, and peer support. Services and supports are provided by Local Mental and Behavioral Health Authorities and community based providers and organizations.

Community Services



* Transfer of the WIC program would occur on 9/1/2017.

Medicaid and CHIP Services

A key goal for HHS transformation is to establish clear connections between Medicaid functions and other medical and social services programs and ensure the functions work with one another efficiently and effectively in a coordinated system. Toward that end, all Medicaid programs and activities from the HHS agencies will be brought together in the restructured Medicaid and CHIP Services department at HHSC.

Services will be grouped based on functional similarities. This structure allows agency leadership to see how the Medicaid program is performing from a broader perspective, more closely monitor and evaluate Medicaid costs, and ensure clients receive appropriate services. It also provides the opportunity for the head of Medicaid and CHIP Services to coordinate with leadership to ensure critical links between services are strengthened.

The functional chart on the following page illustrates how Medicaid and CHIP Services will be organized, and the descriptions below summarize the types of functions that will populate each section.

Program Enrollment and Support – Operates and oversees Medicaid Home and Community Based Services waivers enrollment, provides case management and screening services for children, older Texans and individuals with disabilities, and manages the Medical Transportation Program.

Operations – Oversees and provides direction to the Medicaid claims administrator regarding claims adjudication and provider enrollment, coordinates clients' benefits, manages data, and assists clients and providers.

Policy and Program – Develops all Medicaid policies, procedures and rules, including defining medical benefit policies, compiling and interpreting data for decision-making and reporting, and coordinating and promoting the adoption of health information technology.

Quality and Program Improvement – Establishes, monitors, and evaluates quality and performance standards related to service delivery, including quality-based payment structures, and Delivery System Reform Incentive Payment projects associated with the 1115 Transformation Waiver.

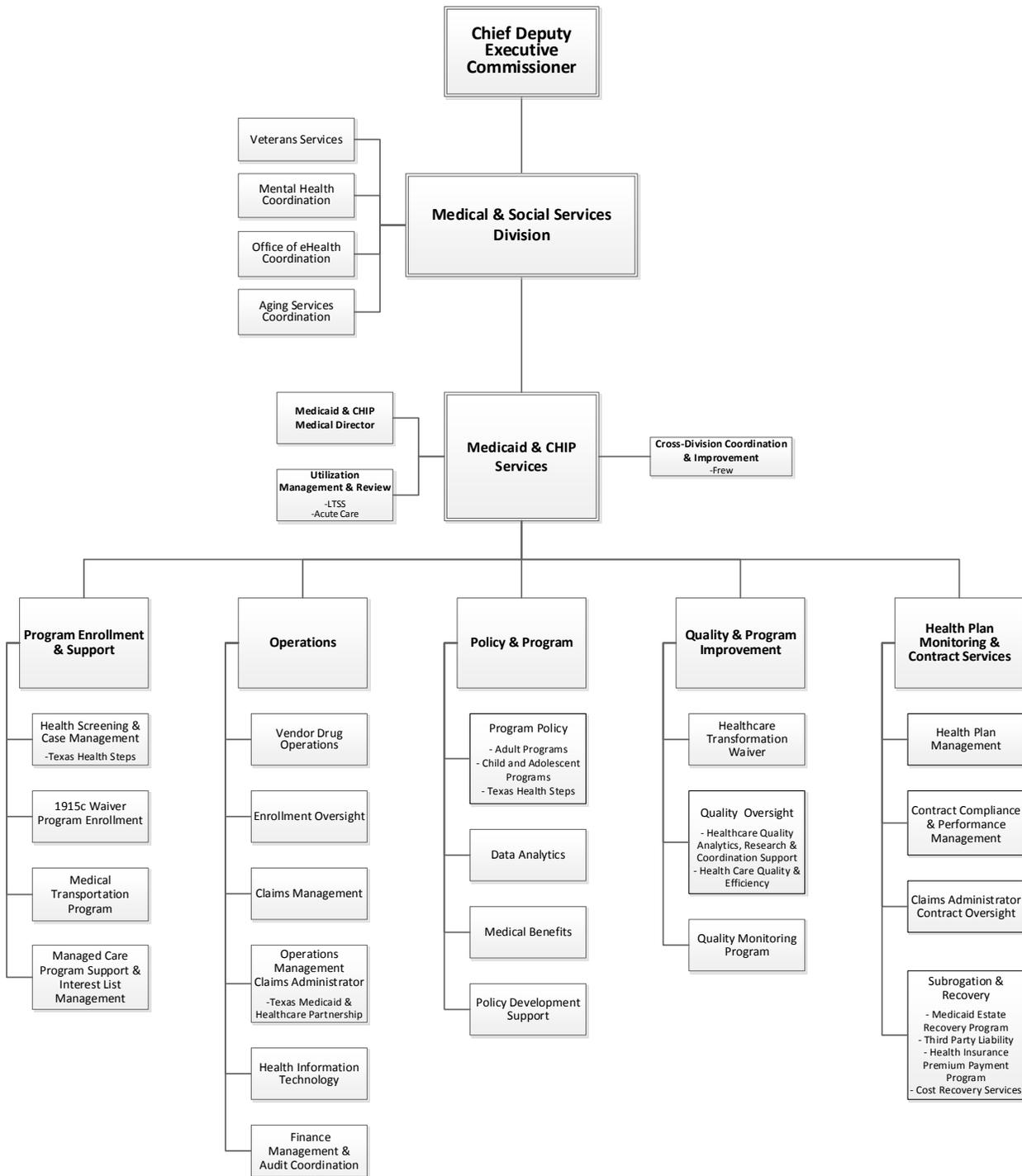
Health Plan Monitoring and Contract Services – Manages, oversees, and enforces Medicaid contracts, including managed care and traditional Medicaid contracts. Ensures contractors' performance results in high-quality services and improved management of program costs.

Medicaid and CHIP Medical Directors – Provides medical oversight and clinical consultation; reviews appeals related to medical necessity and eligibility; and manages utilization review functions for the department.

Medicaid & CHIP Services Defined

Medicaid and CHIP are jointly funded state and federal healthcare programs that serve more than 4.7 million Texans each year. As the single state agency designated to administer Medicaid, HHSC sets policy, determines client eligibility, oversees provider and health plan contracts, and submits Medicaid State Plan amendments and waivers to the federal Centers for Medicare and Medicaid Services.

Medicaid and CHIP Services Department



Department of Assistive and Rehabilitative Services and Texas Workforce Commission

Senate Bill 208, 84th Legislative Session, transfers four programs from DARS to the Texas Workforce Commission (TWC) by September 1, 2016. The goal of this move is to improve employment outcomes for persons with disabilities by consolidating program administration into local workforce development boards and centers.

The programs transferring to TWC are:

- Vocational Rehabilitation (General and Blind),
- Independent Living Services for Older Individuals Who are Blind,
- the Criss Cole Rehabilitation Center, and
- Business Enterprises of Texas.

While TWC is leading the transition, both DARS and HHSC remain involved in planning to ensure a successful transfer. Cross-agency workgroups are facilitating the transition focusing on communications, contracting, data performance, facility business operations, finance, human resources, IT, legal, program and policy, and regulatory functions.

The workgroups completed project charters that outline focus areas and set transition milestones, and will evaluate all aspects of the transition to ensure continuity of services for clients, as well as to implement efficiencies at TWC. A steering committee with representatives from all three agencies oversees the workgroups and monitors the transition.

Eight DARS programs will transfer to the Medical and Social Services Division at HHSC by September 1, 2016. These programs are:

- Children's Autism,
- Blind Children's Vocational Discovery and Development,
- Blindness Education, Screening and Treatment,
- the Independent Living Program,
- Comprehensive Rehabilitation Services,
- Deaf and Hard of Hearing Services,
- Early Childhood Intervention, and
- Disability Determination Services.

As a result of these transfers and the transfers to TWC, DARS ceases to exist on September 1, 2016 per SB 200.

For additional details on the programmatic moves from DARS to TWC, please see the TWC Transition Plan located on the HHSC Transformation website.

Department of Aging and Disability Services

Senate Bill 200 transfers DADS' functions to HHSC in two phases. Client services programs move on September 1, 2016, followed by the transfer of its regulatory functions and operation of state supported living centers on September 1, 2017.

Most of DADS administrative support functions move to HHSC with the initial transfer of programs. Internal audit, IT, legal services, external relations, functions that fall under DADS' Chief Financial Officer, and administrative support functions under the Associate Commissioner of Program Operations become part of HHSC on September 1, 2016.

For the interim year, DADS' project management office will coordinate with the Transformation Office to track all projects and initiatives that have interdependencies between the functions that transfer to HHSC and those that stay at DADS. Functions remaining at DADS until September 1, 2017 include:

- Trust Fund Monitoring,
- Educational Services for Regulatory,
- State Long-term Care Ombudsman,
- Regulatory Services,
- State Supported Living Centers (SSLC),
- Office of the Independent Ombudsman for SSLCs, and
- Consumer Rights and Services Complaint Intake

The chart on the following page illustrates how DADS will be organized through the interim year of transformation, and the descriptions that follow outline those functions that remain at DADS.

Associate Commissioner for Program Operations – Provides oversight and management of the programs below and will continue to be the executive sponsor for the DADS Transformation Project Management Office.

Trust Fund Monitoring – Reviews trust fund accounts and conducts billing and payment reviews in nursing facilities and intermediate care facilities, as well as investigates complaints regarding trust funds in these facilities.

Consumer Rights and Services – Provides statewide triage, management, and prioritization of complaint intake for facilities regulated; provides program information regarding Regulatory Services licensure, survey, and certification activities; tracks suspected provider fraud referrals to OIG and Office of Attorney General; investigates and resolves consumer rights complaints affecting persons with intellectual and developmental disabilities in community service programs; and provides consultation on DADS programs, services, and supports.

Regulatory Educational Services – Provides training to both internal and external customers.

Regulatory Services – Provides federal certification for health care facilities participating in the Long Term Services and Supports Medicaid and Medicare programs; state licensure for facilities providing licensed health care services; and licensure of home and community support services agencies that provide home health, personal assistance, and hospice services. Ensures regulated facilities and agencies comply with federal and state rules appropriate to the services they provide, makes determinations regarding minimum standards and requirements for service, and identifies deficient practice areas.

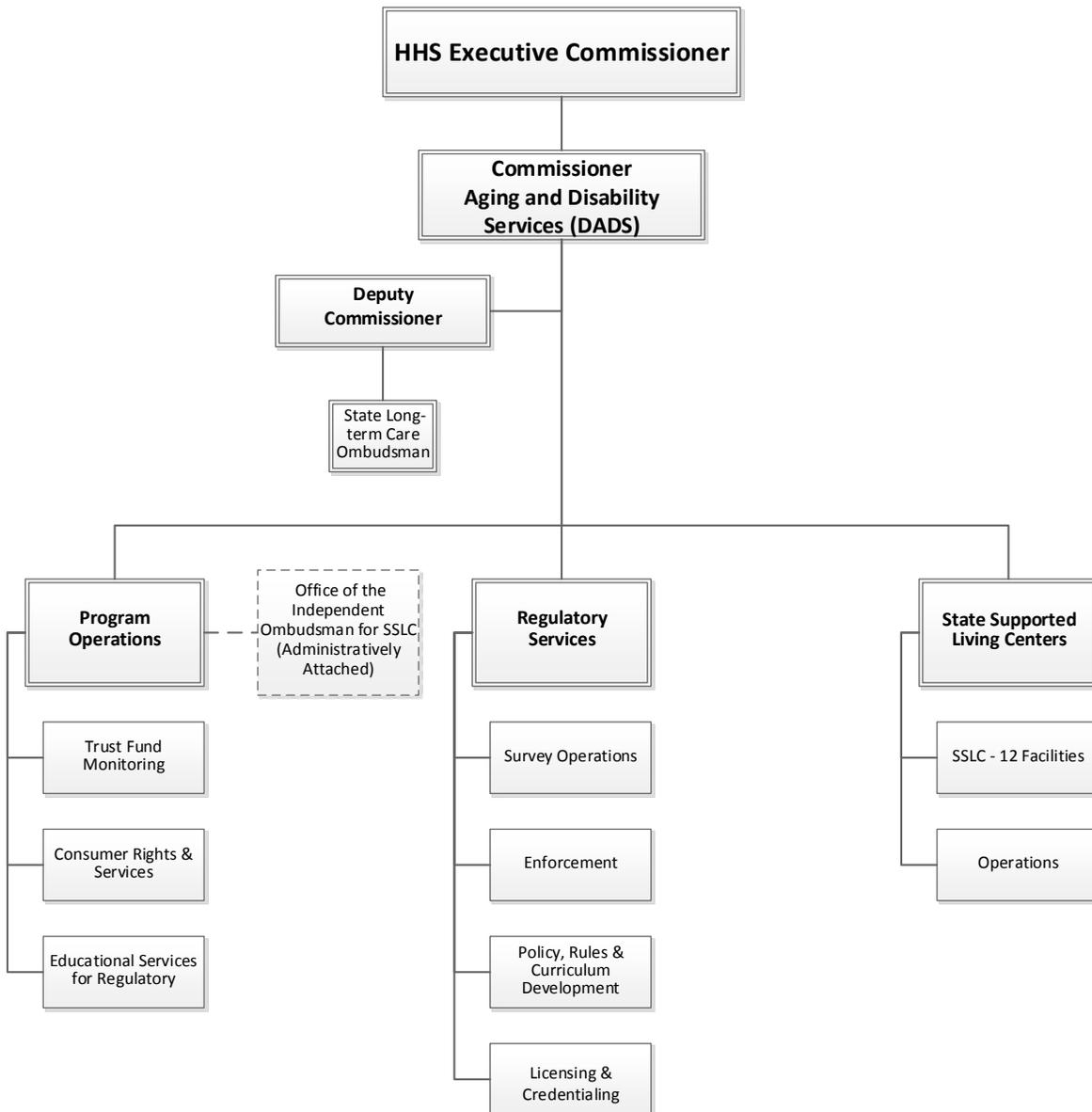
State Supported Living Centers – Provide campus-based direct services and supports to people with intellectual and developmental disabilities at 13 locations – Abilene, Austin, Brenham, Corpus Christi,

Denton, El Paso, Lubbock, Lufkin, Mexia, Richmond, San Angelo, San Antonio, and the Rio Grande State Center, which is operated by DSHS and provides services through a contract with DADS. The state supported living centers serve people with intellectual and developmental disabilities who are medically fragile or who have behavioral problems.

Office of the Independent Ombudsman – Provides oversight and protection for residents of state supported living centers and act as advocates for residents with DADS. The Ombudsman’s office is independent of DADS and HHSC.

State Long-term Care Ombudsman – Advocates for the rights of people who live in nursing facilities and assisted living facilities so they receive optimal quality of care and achieve high quality of life. Ombudsman staff administer the statewide program through the 28 area agencies on aging (AAA) ombudsman programs. Regional ombudsman programs operate with paid professional ombudsmen and recruit, train, and supervise a cadre of approximately 850 certified volunteer ombudsmen.

DADS 2016-2017 Interim Structure



Department of Family and Protective Services

Summary:

- Transferred Nurse Family Partnership and Texas Home Visiting programs to DFPS Prevention and Early Intervention division May 1, 2016. Pregnant Post-Partum Intervention and Parenting Awareness and Drug Risk Education programs will be evaluated to transfer to the same division by September 1, 2017.
- Transfers select DFPS legal staff associated with human resources, open records, and litigation liaisons on September 1, 2016. As part of this change, the DFPS General Counsel will also report to the HHSC Chief Counsel instead of the DFPS Commissioner. All remaining legal staff except Regional Legal Services, transfer on September 1, 2017.
- Transfers the DFPS Medical Director to the Medicaid and CHIP Services department on September 1, 2016.
- By September 1, 2017 the following functions transfer to the Administrative Services Division at HHSC: facility support, business continuity, accessibility coordination, veteran hiring outreach, and advance travel payments and processing.
- Transfers the Office of Consumer Affairs to the HHSC Office of the Ombudsman on September 1, 2017.

Currently structured as a separate agency in the broader HHS system, DFPS will continue to focus on child and adult protective services and the prevention of child abuse and neglect through its prevention and early intervention programs. Additionally, DFPS will continue to operate the statewide contact center for abuse, neglect and exploitation intakes. To streamline the agency’s mission, current DFPS programs regulating residential childcare and daycare facilities will transfer to the Regulatory Services Division in 2017, along with abuse and neglect investigations involving community providers conducted by Adult Protective Services.

Child Protective Services Defined

Services include investigation of allegations of abuse, neglect or exploitation perpetrated against children. Services are provided primarily through investigations, family-based safety services and substitute care.

Adult Protective Services Defined

Services include investigation of allegations of abuse, neglect or exploitation perpetrated against individuals aged 65 or older and individuals with disabilities.

Prevention & Early Intervention Defined

Develops, implements and oversees programs and services to prevent abuse, neglect, delinquency, and truancy of children; and supports, educates, and provides counseling on health, parenting, child developmental issues, and life skills to individuals and families at risk of abuse or neglect.

The descriptions that follow outline the differences between DFPS’ structure and changes contemplated in Senate Bill 200 and the chart on the following page illustrates those changes.

Protective Services Functions – Stakeholders have expressed concern about the transfer of some Child Care Licensing and Adult Protective Services investigatory functions related to abuse and neglect from DFPS to the regulatory division at HHSC. Any change in approach would require legislative direction during the 85th session.

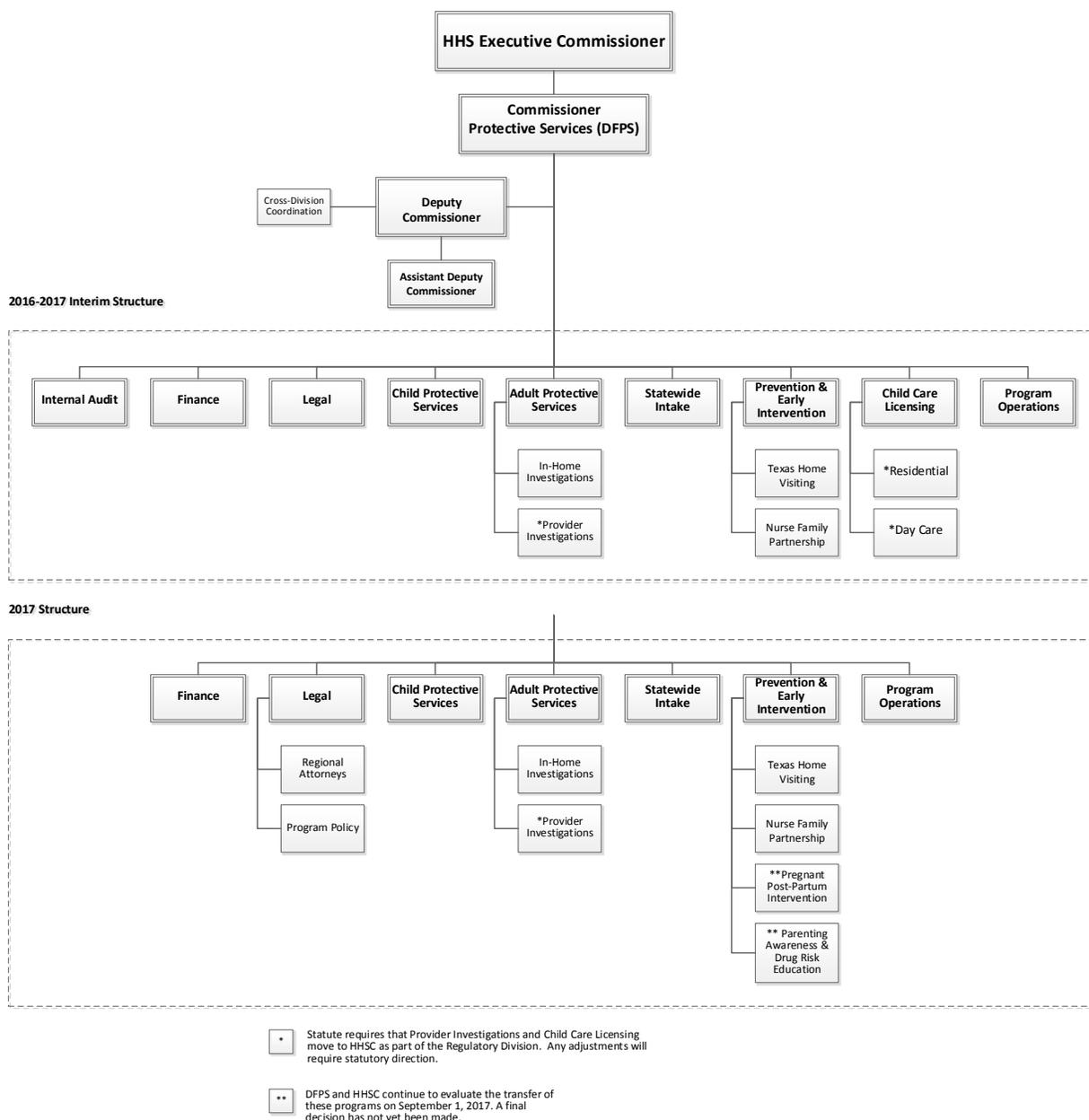
Prevention and Early Intervention – Prevention and early intervention provide counseling and parenting classes to support healthy families through a network of community-based providers. In response to a Sunset Advisory Commission recommendation, the Texas Home Visiting and Nurse Family Partnership programs became part of PEI effective May 1, 2016. The Sunset Commission also recommended that the Pregnant Post-Partum Intervention and the Parenting Awareness and Drug Risk Education programs, currently housed at DSHS, move to

DFPS. Initially, these programs will move to HHSC maintaining strong links to other behavioral health programs. HHSC and DFPS are continuing to evaluate whether these programs should transfer to DFPS effective September 1, 2017.

DFPS and HHSC will continue to gauge the opportunity for additional administrative support consolidation, as is noted in the System Support Services section of this report.

DFPS’ organizational structure will remain in place until the Legislature has an opportunity to review the statutorily required study and recommendations on the continuing need for a separate department focused on protective services. That study will be submitted to the Transition Legislative Oversight Committee no later than September 1, 2018.

Department of Family and Protective Services



Department of State Health Services

Summary:

- Consolidates the Office of Border Affairs from HHSC with the Office of Border Health at DSHS.
- By September 1, 2016 transfers the following functions to the Administrative Services Division: employee background checks, asset management and tracking, switchboard services, records management, and contract oversight and support. IT transfers will continue through 2018.
- Transfers the Women, Infants, and Children program to HHSC on September 1, 2017 pending approval from federal partners.
- Transfers legal staff to HHSC on September 1, 2017.

Senate Bill 200 focuses DSHS on its core public health mission – transferring the agency’s client services programs to HHSC in 2016 and its regulatory functions and operation of state hospitals to HHSC in 2017. In addition, 17 occupational and professional regulatory programs are in the process of transferring to the Texas Department of Licensing and Regulation and the Texas Medical Board.

The proposed DSHS structure streamlines the agency’s focus on public health programs such as infectious disease control and community health services, as well as public health services provided directly in communities. As part of that structure, HHSC’s Office of Border Affairs will transfer to DSHS where it will merge with the Office of Border Health.

Additionally, DSHS and HHSC continue working with federal partners to obtain the necessary approvals to transfer the Women, Infants, and Children program to HHSC. That transition is slated for September 1, 2017.

The descriptions that follow outline the differences between DSHS’ existing structure and changes contemplated in Senate Bill 200 and the functional chart on the following page illustrates those changes. Public health programs remaining at DSHS are listed in Appendix E.

Public Health Services Defined

Services include protecting, promoting and improving the health and wellness of communities and populations by encouraging healthy behaviors; detecting, monitoring, preventing and controlling the spread of infectious and chronic diseases; analyzing and reporting disease trends; promoting injury prevention; identifying, treating, managing, preventing and reducing health problems related to environmental hazards; and coordinating emergency response and preparedness activities.

Public Health Operations – This division includes oversight and management of eight regional public health offices; the Texas emergency medical services and trauma care system; programs that identify and reduce health problems from exposure to radiation, food, drugs and other environmental hazards; and effective preparation and coordination of responses to health emergencies, including bioterrorism, infectious disease outbreaks and natural disasters.

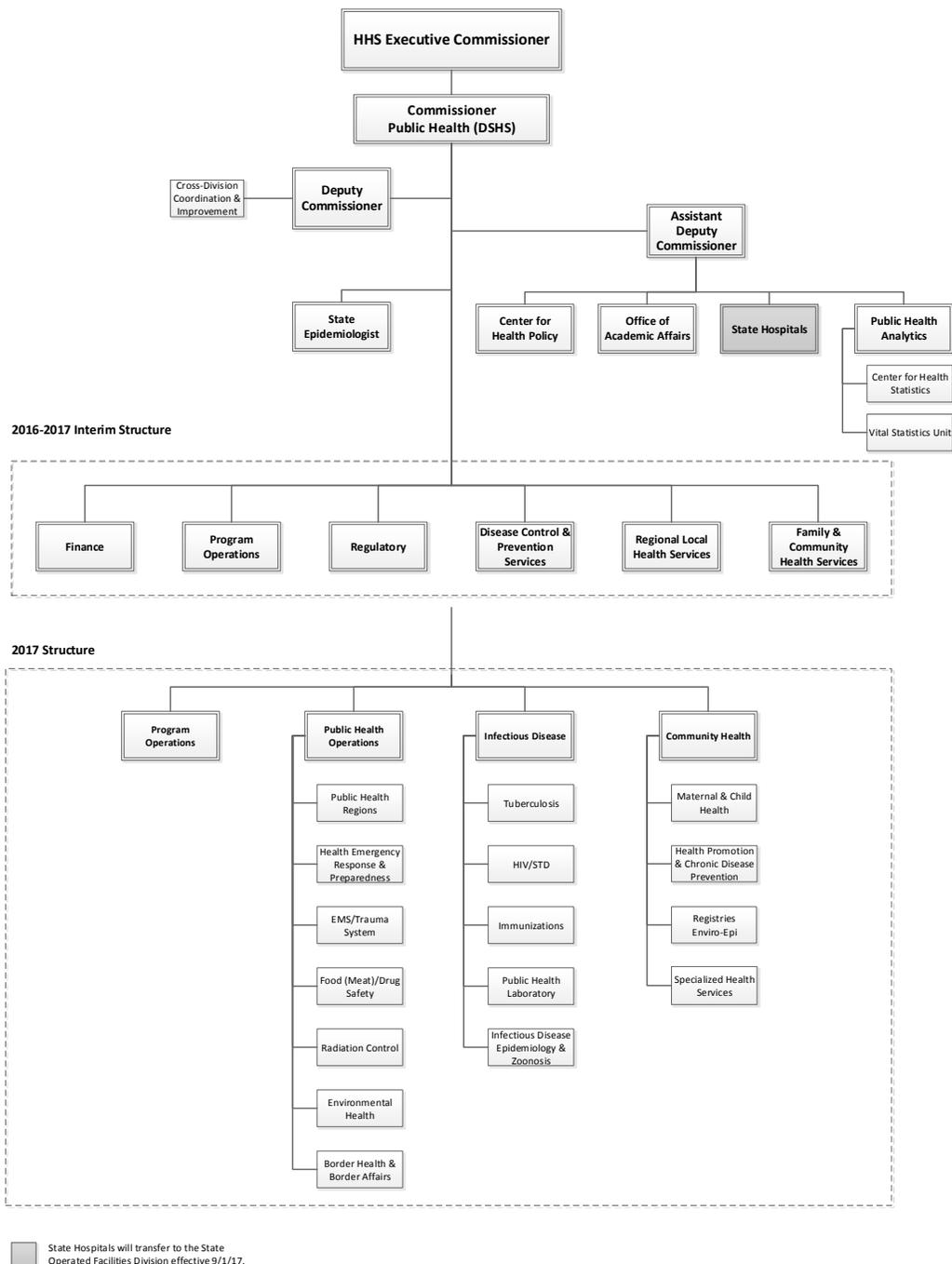
Infectious Disease – This division includes laboratory services, disease surveillance, epidemiology, and disease prevention and control. Key functions include detecting and preventing the spread of infectious diseases; collecting and distributing data on infectious diseases and healthcare-associated infections; administering a system to immunize children and adults; providing laboratory analysis of specimens and samples, such as conducting newborn screening; and responding to biological or chemical threats and disease outbreaks.

Community Health – This division will create, implement, and direct public health efforts, including

population health, maternal, infant, child, and adolescent health programs; encourage Texas communities and populations to engage in healthy behaviors; and work to detect, monitor, and control chronic diseases, such as cancer, heart disease, stroke, and diabetes.

DSHS' organizational structure will remain in place until the Legislature has an opportunity to review the statutorily required study and recommendations on the continuing need for a separate agency focused on public health. That study will be submitted to the Transition Legislative Oversight Committee no later than September 1, 2018.

Proposed Department of State Health Services



Office of Inspector General

The Texas Legislature created the Office of Inspector General (OIG) in 2003 as part of its reorganization of the HHS System, and made the office responsible for detecting and preventing fraud, waste, and abuse. By statute, OIG is a division of HHSC, but organizationally and practically, OIG operates with a large degree of independence from HHSC.

The relationship between the Inspector General and HHSC is unique in Texas government. The Inspector General is appointed by the Governor and reports to the Governor and the HHSC Executive Commissioner. HHSC has administrative oversight over OIG. This structure provides the Inspector General with operational independence while providing the office with administrative support it needs to carry out its mission.

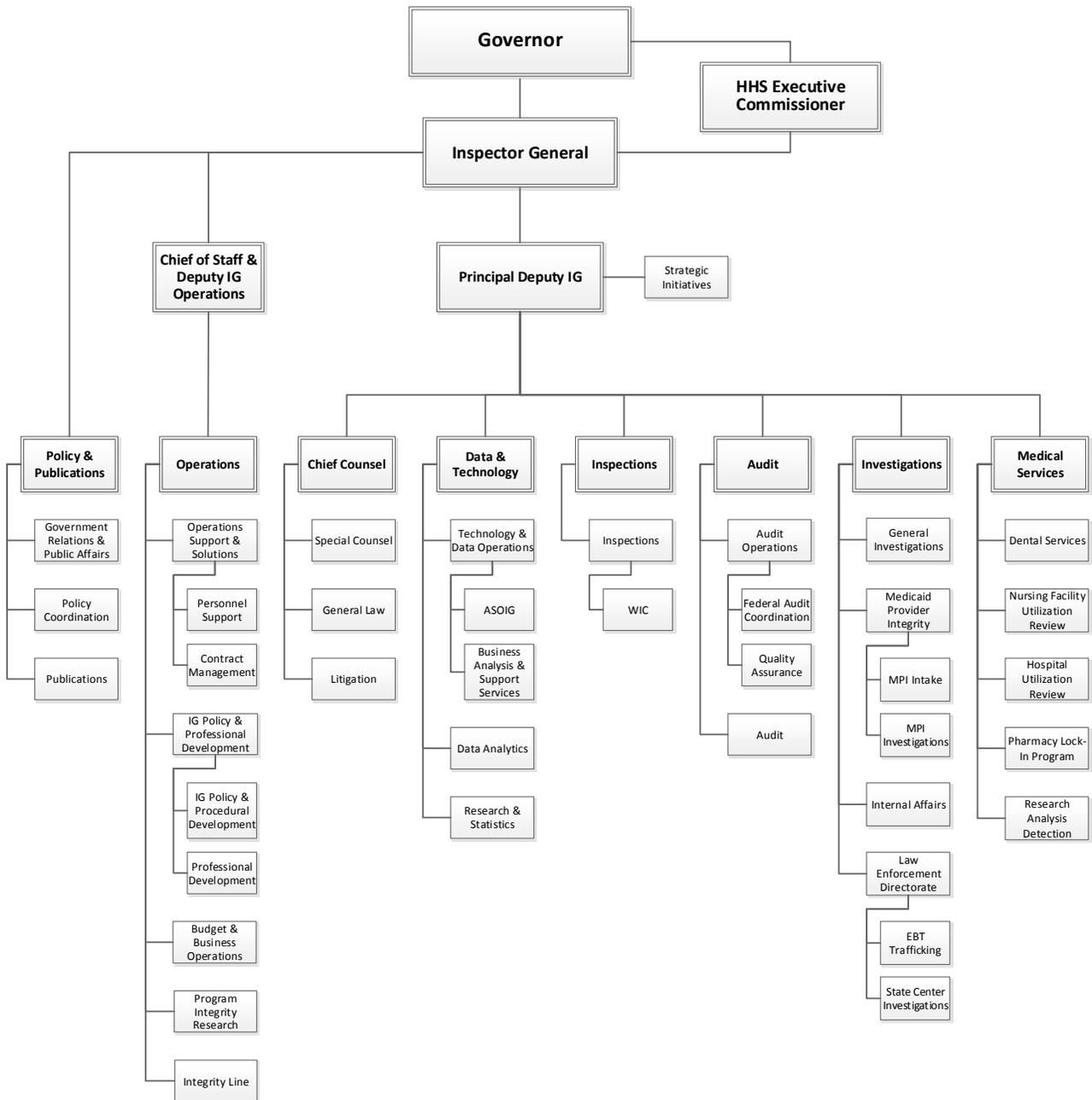
At the same time, the Inspector General and the Executive Commissioner collaborate closely in administering OIG's programs in order to minimize duplication of efforts, and to ensure that laws, policies and rules are interpreted and applied consistently across the HHS System. This approach is aimed at maximizing the performance of both HHS and OIG programs. Also unique among HHSC divisions, OIG is only affected by system-wide transformation to the extent that further consolidation of administrative services affects the office.

The Executive Commissioner has administrative oversight over OIG, and is responsible for ensuring that HHSC performs all administrative support services functions necessary to operate OIG. These administrative functions include, but are not limited to, procurement and contract management, information technologies, budget, business operations and human resources, such as the following:

- **Procurement and Contracting Services** – OIG processes procurements and contracts with the assistance of PCS. PCS provides standard policies and procedures, comprehensive training, ongoing support, and standard templates regarding purchasing and contract management responsibilities to OIG staff.
- **HHSC Human Resources** – Assists OIG with policy interpretation/guidance on employee-related issues. HR also facilitates job audits for OIG positions. OIG adheres to HR policies in developing staff performance plans, conducting day-to-day management, hiring and onboarding staff, conducting orientation and training, and all departure activities.
- **HHSC Operations** – Provides standard operating policies regarding emergency management, facility and lease information, and leadership training. OIG adheres to all processes and liaisons with HHSC to develop an internal emergency response plan, ongoing supplemental leadership training to staff across the organization, and conducts ongoing analysis of space and building needs.
- **HHSC Budget** – Provides the OIG with a budget and position allocation plan as well as standard policies and processes that must be followed. OIG coordinates agency wide to determine budget and position needs across the organization in a way that promotes accountability to ensure that the budget is spent on reasonable and necessary expenses.
- **HHSC Information Technology** – Staff are located at OIG offices across the state, and provide technical assistance to OIG Programs. OIG has IT staff that will be transitioned to HHSC IT as part of the transformation process.

HHSC and OIG will develop a memorandum of understanding that memorializes their respective roles and responsibilities for administrative support services by September 1, 2016.

OIG Structure – 2016



Administrative Support Services

Summary:

Incorporating feedback from the Transition Legislative Oversight Committee and further review of the proposed structure, the following changes were made to plans for administrative services:

- Created a Chief Operating Officer position to oversee administrative services.
- Established the Administrative Services Division by consolidating IT, procurement and contracting services, financial services, and system support services under the Chief Operating Officer who was appointed effective June 1, 2016.
- Generated timelines for each of the administrative services planned transfers.
- Reconsidered the Office of the Ombudsman's placement within External Relations. Instead the Office will remain a separate entity reporting to the Chief of Staff.

In 2003, House Bill 2292 transformed the Health and Human Services system by consolidating 12 agencies into five under the direction of the Health and Human Services Commission. In addition, the bill 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 to ensure a strong connection between such 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 revisit that effort. As such, 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, IT, Procurement and Contracting Services, and System Support Services combine under the Chief Operating Officer to create the Administrative Services Division. Additional consolidation will occur within Legal Services, Internal Audit, External Relations, and the Office of the Ombudsman.

Administrative Support Services Defined

Provide day-to-day technical and operational support for programs, including purchasing, contracting, IT, facilities management, accounting, budget and financial management, communications, media relations, government relations, internal audit, and HR.

HHSC will implement these organizational changes using a phased-in approach with identified milestones over several years to mitigate disruption of services during the transition. To ensure ongoing accountability and direct responsiveness to the programs they serve, HHSC will establish performance

measures to monitor progress toward achievement of these milestones, as well as to track the impact consolidation of administrative services has on programs.

To ensure administrative focus remains on supporting programs' needs, the Chief Operating Officer will facilitate monthly 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 make certain the necessary linkages are identified and enhanced.

As each administrative support area consolidates functions, a memorandum of understanding (MOU) or other agreement will be executed between that area and each agency and division within the HHS system. This MOU will outline the responsibilities and expectations of the agency or division and the administrative support area. Each MOU will include specific requirements for soliciting and analyzing customer support data. These agreements will also require annual evaluations based on input from both the customer (agency or division) and the administrative support area regarding the services provided and the personnel providing those services.

Additional details on administrative services transfers are outlined in the following pages, including organizational charts that reflect the September 1, 2016 structure for each area and timelines for transfers scheduled beyond 2016.

Information Technology

The IT workgroup carefully studied the feasibility and efficacy of consolidating IT functions and activities to ensure those organizational changes create value and improve responsiveness to core functional areas of the HHS system. The workgroup's proposal is to fully consolidate IT functions including technology planning, information security, customer service and support, system services, data center services, IT business operations, project management, and applications. Full consolidation creates a more efficient and effective structure for the planning, development, delivery, and oversight of complex HHS IT systems and allows for a consistent governance process.

The focus during transition into the new structure includes:

- ensuring the smooth transition of IT staff from other HHS agencies to HHSC;
- maintaining involvement and needed support for HHS program transitions;
- establishing consolidated IT units to identify and incorporate HHS IT functions into HHSC; and
- providing a pathway for escalating issues to executive leadership to minimize risks and address issues.

Transformation of IT will occur in phases between September 1, 2016 and September 1, 2018 to minimize the potential for any disruption of services to HHS agencies and programs. As a first step to improving HHS system IT planning and project oversight, several key IT leadership positions with responsibilities across the HHS system have been filled. These include a Chief Information Officer (CIO), Deputy CIO, Chief Information Security Officer, and Chief Technology Officer.

In March 2016, executive leadership approved a change in reporting structures for the agencies' information resource managers. These positions currently report to the HHS CIO but remain at their agency. In July, a similar structure was approved for the information security officers. On September 1, 2016, these positions will report directly to the Chief Information Security Officer but retain the authority for information security at their designated agency.

In mapping out a consolidation plan, IT considered not only their internal structure but the system structure as well. In order to properly support the programs transferring to HHSC, they identified which areas of the agencies' IT structure would need to transfer first. For example, moving DSHS' Mental Health and Substance Abuse division to HHSC requires transferring appropriate DSHS' IT applications staff as well. While transformation of the applications office will not be finalized until 2018, the initial transfer of these staff is vital to supporting programs.

Timeline for Consolidating IT

On target or ahead of schedule for September 1, 2016:

- Establish IT Project Management Office
- Consolidate Chief Technology Office
- Consolidate Chief Information Security Office
- Transition DARS IT staff to HHSC
- Transition DADS IT staff to HHSC

Ahead of schedule for December 1, 2016:

- Consolidate IT Data Center Services
- Consolidate IT System Services

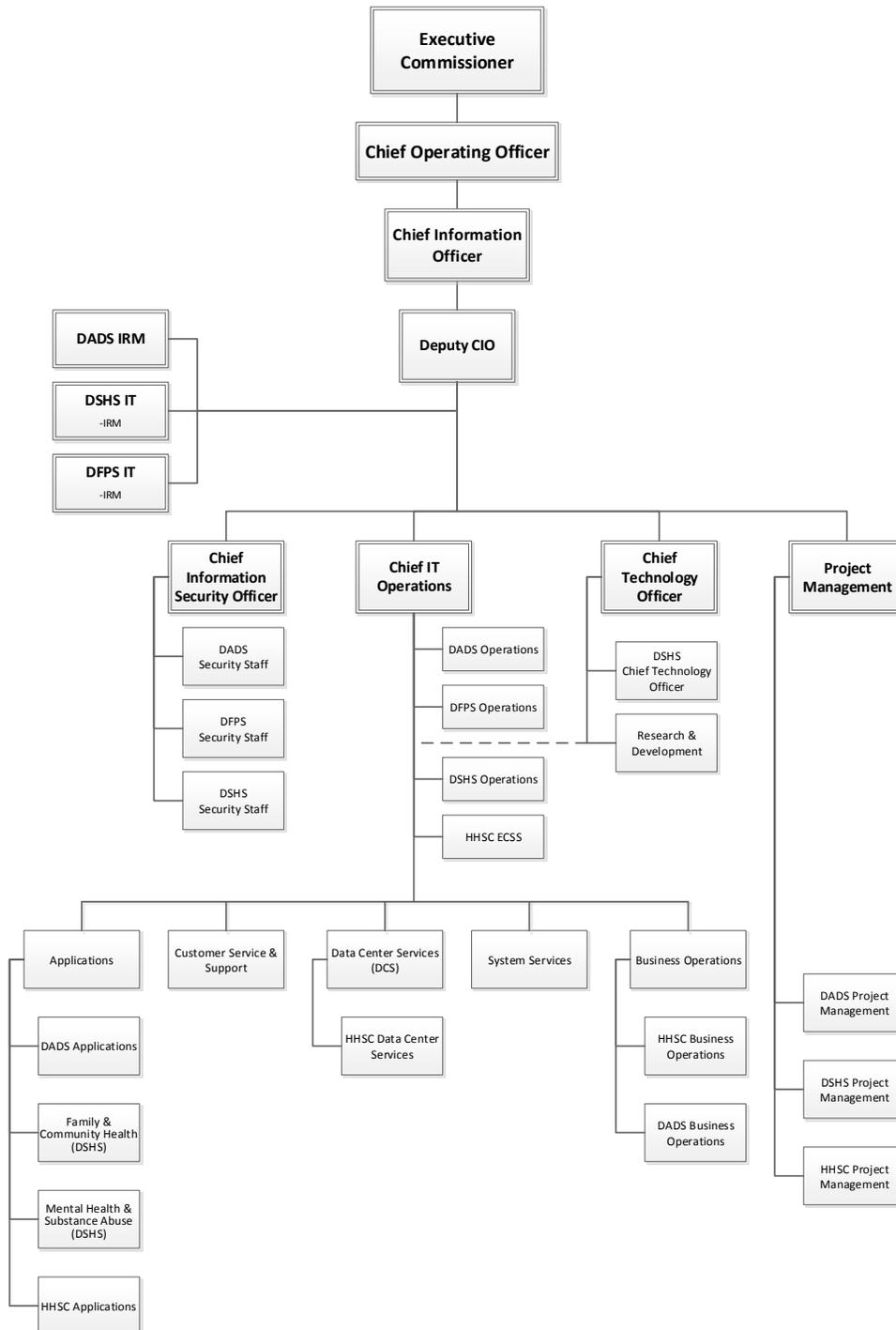
By September 1, 2017:

- Consolidate IT Customer Services
- Consolidate IT Business Operations

By September 1, 2018:

- Complete consolidation of IT Applications Office
- Complete consolidation of IT Project Management Office

Information Technology Structure – 2016



Procurement and Contracting Services

As the HHS system has evolved from directly delivering services to contracting for many services through private and public providers, the major responsibilities of Procurement and Contracting Services (PCS) have grown exponentially. In 2015, significant changes occurred in HHS contracting resulting from internal reorganization, system refinement, and reforms enacted by the 84th Texas Legislature. In March 2015, a new PCS Deputy Executive Commissioner began working on organizational changes, implementation of contracting reforms, and development of new automated systems to support procurement and contract management. Under his direction, and with input from the transformation contracting workgroup, PCS is embarking on significant restructuring, improving contract quality and customer service, and providing increased training to PCS staff and internal clients. For a more detailed list of improvements to PCS, see Appendix B.

The revised PCS will have three major organizational units: Procurement Operations, Contract Administration, and Contract Oversight and Support (COS). In addition, PCS will have closer linkages between project management, quality assurance, policy development, and training to ensure timely implementation of new policies and training to all procurement staff and contract managers. In developing recommendations for restructuring PCS, HHSC has ensured that structural changes carefully consider, and account for, maintaining needed connections to HHS agencies and divisions.

Full restructuring of PCS and transfer of COS functions into PCS will be conducted in phases to minimize disruption of services to HHS agencies and programs. The three new organizational units will be developed by September 1, 2016. This consolidation provides consistent high-level expertise, policy guidance, and technical assistance to all HHS system areas that oversee contracts, as well as a streamlined approach to procurements that includes a clear pathway for staff to build expertise as they work on increasingly complex procurements.

The COS functions from DADS, DARS, and DSHS will be transferred to PCS on September 1, 2016. Transfer of DARS COS functions to PCS will ensure contract monitoring functions will not be interrupted for DARS programs moving to HHSC. Current DADS COS functions related to trust fund monitoring will remain at DADS until September 1, 2017, and be consolidated into the new HHSC structure at that time.

The DFPS COS director will continue to report to Procurement and Contracting Services. Since no programs are transferring September 1, 2016 the DFPS COS structure will remain as it currently is and HHSC will reevaluate its placement when conducting the study on the continuing need for DPFS as a stand-alone agency, to be submitted to the Transition Legislative Oversight Committee by September 1, 2018. During fiscal year 2017, PCS will analyze the common resources of all COS divisions and consolidate them in a deliberate manner that maximizes the use of resources and avoids breaking needed systems and linkages.

Timeline for Reorganization of PCS

By September 1, 2016:

- Reorganizing of PCS into three core units: Procurement Operations, Contract Administration, and Contract Oversight and Support.
- Initial transfer of COS functions at DADS, DARS, and DSHS to PCS.

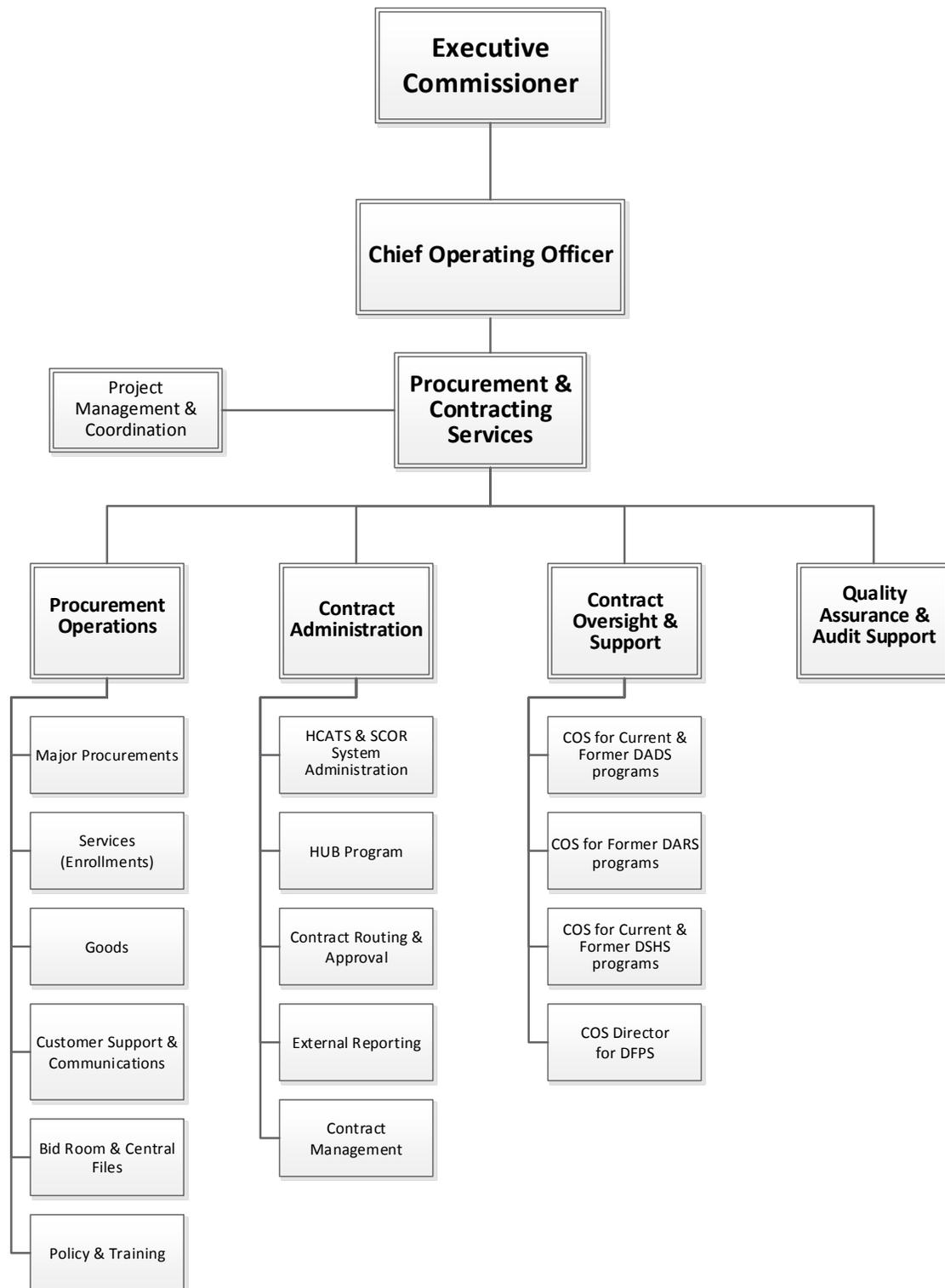
By September 1, 2017:

- Further integration and alignment of COS functions within PCS.

By September 1, 2018:

- Determine the need to transfer DFPS COS function, based on study provided to the TLOC.

Procurement and Contracting Services Structure – 2016



Financial Services

State agency operations rely on a broad and intricate network of financial planning, forecasting, rate setting, budgeting, and accounting systems. With the extensive HHS system reorganization, considerable detailed planning is necessary to ensure all required financial systems remain in place to support programs in the new structure, as well as the efficient and effective allocation, management, tracking, and reporting of financial operations.

Over the past year, a financial services workgroup has identified changes in the financial planning, budgeting, and accounting structures that are necessary to support the new, more functional HHS system. The workgroup focused on determining what level of financial services consolidation would most effectively support the HHS system. The group identified the activities necessary to support the consolidation of medical and social services, regulatory services, and state-operated facilities at HHSC, as well as the transfer of all of DADS' and DARS' financial services to HHSC.

Effective June 1, 2016, the HHSC Financial Services division began reporting to the Chief Operating Officer. Several financial services functions that support the entire HHS system are already consolidated at HHSC including Actuarial Analysis, Forecasting and Rate Analysis, and HHS System Budget and Fiscal Policy and will continue to operate as consolidated functions. In addition, further integration will expand several areas within HHSC Financial Services that provide financial support to expanded program areas and business functions. For example, Rate Analysis is assessing client services provided at DSHS (and transitioning to HHSC) to determine whether it is more appropriate for the provider reimbursement to be determined by Rate Analysis.

DSHS and DFPS will retain a Chief Financial Officer reporting to their agency Commissioners. There will continue to be close coordination of the CFOs facilitated through HHS System Budget and Fiscal Policy. The new Financial Services structure will also ensure no disruption occurs during the transition in key financial expertise and support related to the state supported living centers and state hospitals.

Effective September 1, 2016, some DARS financial and support staff will become part of the HHSC fiscal management team under the Chief Financial Officer as DARS programs transfer to HHSC. While DADS programs and staff will transfer to HHSC in two phases, DADS financial staff will transfer as a whole on September 1, 2016. DADS claims management staff will move to the Medicaid and CHIP Services department, and DADS staff will initially remain as one unit within Fiscal Management, integrating into existing and proposed units as needed for business operations. The eventual goal of the transformation is full integration of the financial management teams.

The Department of State Health Services will continue to exist as a stand-alone agency focused on public health. DSHS client service programs will transfer to HHSC on September 1, 2016, along with financial and management staff who perform budgeting and payment processes for the associated programs. DSHS state hospitals will be transferring to the new HHSC Facilities Division on September 1, 2017. Further financial services staff are anticipated to transfer at that time.

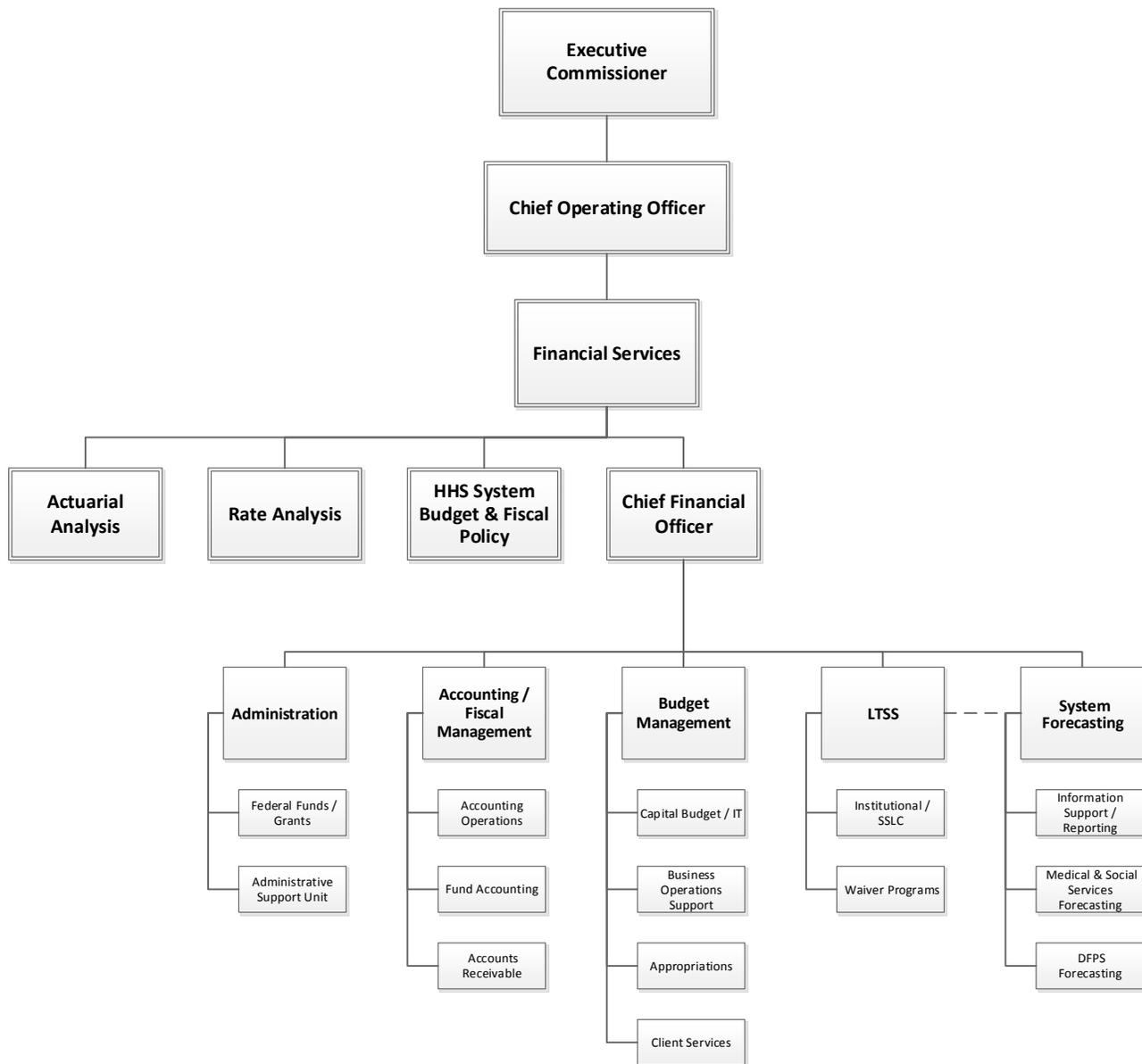
Timeline for Integrating Financial Services

By September 1, 2016:

- Transfer Financial Services staff from DARS and DADS, and
- Transfer financial and management staff from DSHS supporting client services and associated contracts, budgeting, and payments.

By September 1, 2017, additional financial services staff integration is anticipated, phasing in for additional program transfers and other efficiencies in fiscal management functions that will continue to be integrated.

Financial Services Structure – 2016



System Support Services

A complex network of system support services underpins the day-to-day operations of each HHS agency and the system as a whole. HHSC's System Support Services (SSS) Division and each agency's Chief Operating Officer division keep this vast system operating smoothly. Support functions include human resources (HR), civil rights, training and leadership development, emergency response and disaster services, office leasing and business/regional support, and the Center for the Elimination of Disproportionality and Disparities.

Most of these support services currently operate in a consolidated structure within the HHS system. These consolidated functions include HR, civil rights, regional administrative services, and coordination of property management and facility leasing. The new SSS structure will require modifications to support services that will create new opportunities for further integration.

The system support services workgroup identified a variety of areas with potential for additional consolidation. For example, emergency and risk management functions exist in different areas of each agency. Bringing these functions together under one director within SSS allows for improved planning and response activities across the system. Employee background checks from DARS, DADS, and DSHS will transfer to HHSC. DFPS will retain this function but will assess the feasibility of a transfer for September 2017.

Additionally, the group noted fragmented workforce-development functions that exist informally across the various agencies. As a result, a separate workgroup will review those functions at DFPS to determine the feasibility of consolidation. To the extent these functions remain at DFPS, coordination processes will be created to ensure the structure helps strengthen and support workforce development across the HHS system.

Timeline for Integrating System Support Services

By September 1, 2016:

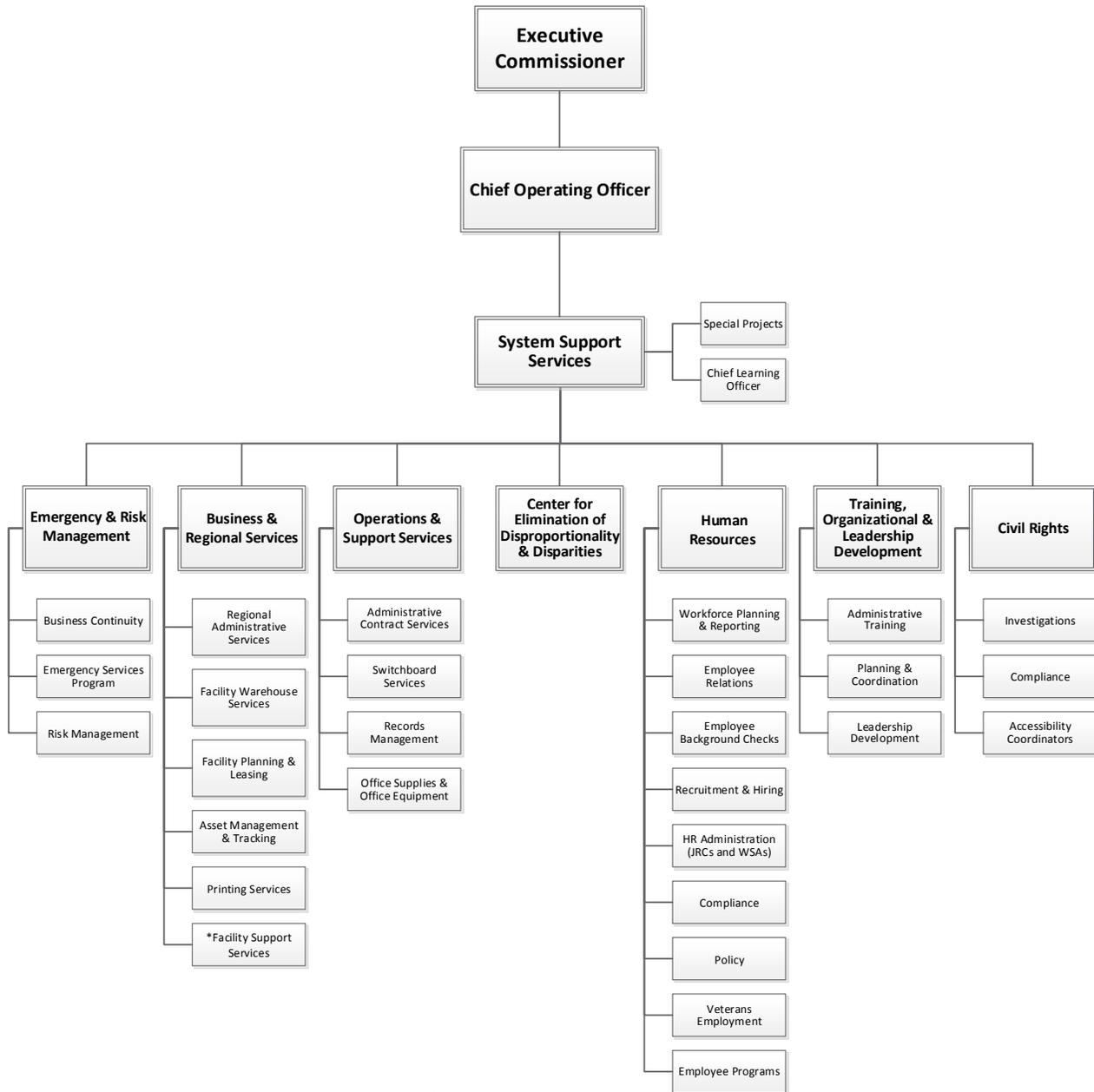
- Merge job requisition coordinators and work schedule administrators from DADS and DSHS into HR;
- Merge employee background checks from DARS, DADS, and DSHS into HR;
- Merge the MilVets program from DFPS into HR's Veterans Employment program;
- Transfer Asset Management and Tracking from DARS, DADS, and DSHS to SSS;
- Consolidate Switchboard Services from DARS, DADS, and DSHS at HHSC;
- Transfer Records Management from DARS, DADS, and DSHS to HHSC; and
- Transfer HHSC's Office of Border Affairs into DSHS' Office of Border Health.

By September 1, 2017:

- Transfer the Facility Support Services unit of SSS to the new State Operated Facilities Division; and
- Consolidate remaining asset management and tracking and record management functions.

This transformed structure provides increased cross-system coordination and improvement while facilitating a seamless transition of administrative support services. In addition, the Chief Learning Officer position that currently addresses employee development and training needs will now also lead succession planning initiatives across the HHS system and continue to serve as a direct report to the SSS division lead.

System Support Services Structure – 2016



* Facility Support Services Unit transfers to the State Operated Facilities Division on September 1, 2017

Legal Services

A broad and diverse legal staff supports the HHS agencies. All five HHS agencies have teams of attorneys, legal assistants and support staff who provide varied services, including: legal analysis and advice; statute, rule, and policy interpretation; and litigation support. With the major structural changes that the HHS system is undergoing, the roles and responsibilities of legal staff will continue to evolve with implementation of a more fully integrated system.

The legal services workgroup developed recommendations for consolidating HHS system legal services that focused on maintaining the legal services and expertise necessary to meet the diverse needs of HHS agencies and programs. Building on lessons learned from consolidating contracts attorneys in April 2015, the workgroup has outlined steps for achieving consolidation that allow for thoughtful planning and analysis to determine the most effective service delivery model. Full consolidation of legal services will be conducted in phases to minimize potential disruption of support to HHS agencies and programs.

Transfers of legal staff will happen in two phases beginning on September 1, 2016. In the first phase, DADS entire legal staff will transfer to the HHSC Office of Chief Counsel, where it will remain as a separate unit. This unit will continue to work with the DADS programs transferring to HHSC in 2016, as well as the regulatory and state-operated facilities programs remaining at DADS until September 2017. DADS General Counsel will report to the HHSC Chief Counsel and will continue to support and provide direct legal advice to the DADS Commissioner until September 1, 2017, when DADS will cease to exist as a separate agency.

Also on September 1, 2016, DARS legal staff who support programs transferring to HHSC will transfer and continue to support those programs. These staff will also assist with other HHS System legal work as assigned.

The DFPS and DSHS General Counsels will begin reporting to the HHSC Chief Counsel on September 1, 2016. Importantly, the DFPS and DSHS General Counsels will continue to support and provide direct legal advice to the respective agency commissioners. In addition, select DFPS legal staff will become part of HHSC's Human Resources, Open Records, and Litigation teams.

In the second phase, all DFPS and DSHS legal staff will transfer to HHSC on September 1, 2017. The lone exception is DFPS Regional Legal Services staff who provide programmatic services and carry out activities delegated by the Office of the Attorney General. These staff will remain at DFPS.

This consolidated structure for legal services provides for more effective allocation of staffing resources as well as more consistent high-quality services across the system. Retaining programmatic work assignments ensures maintenance of legal expertise and close communication with divisions and programs.

The phased transfers will provide HHSC the opportunity to assess any potential benefits of consolidating some or all of the Office of Inspector General's legal staff (who are already HHSC employees) into the HHS System legal services structure being developed during the 2016 - 2017 transition year. Using this time to determine the most effective and efficient service delivery model will aid an ultimately successful integration of legal services.

Timeline for Consolidating Legal Services

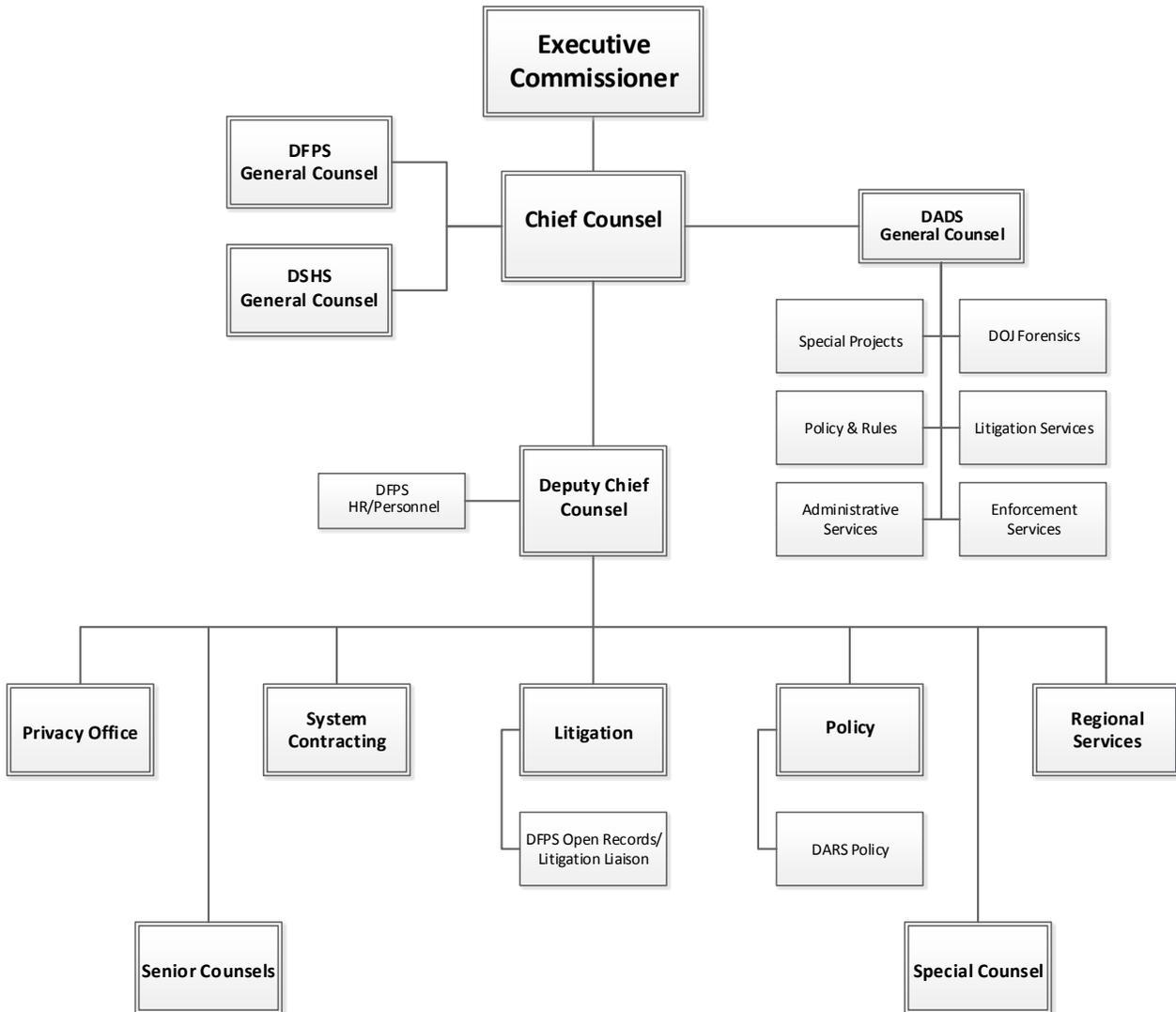
By September 1, 2016:

- Transfer DADS and DARS legal staff;
- Change reporting structures for DSHS and DFPS General Counsels; and
- Transfer select DFPS legal staff associated with human resources, open records, and litigation.

By September 1, 2017:

- Transfer DSHS and remaining DFPS legal staff, except for DFPS Regional Legal Services staff who perform programmatic functions; and
- Transfer any OIG legal staff based on the results of an assessment to be conducted in FY 2017.

Legal Services Structure – 2016



Internal Audit

Each of the five agencies within the HHS system has an internal audit division. Working under the direction of the agency commissioner, internal audit staff conduct audits and review system operations including measuring sufficiency of internal controls and compliance with state and federal laws, rules, and regulations. Senate Bill 200 consolidates all HHS internal audit programs under the Director of Internal Audit who, by statutory requirement, reports to the Executive Commissioner. Internal audit staff completed an analysis of each internal audit division and concluded that the policies, procedures, and operational practices of each are similar.

Consolidating into a System Internal Audit division leverages a broad range of expertise and information on all HHS programs. Additionally, it provides a more comprehensive understanding of entities with numerous contracts across the HHS system, improving risk assessment.

As with most administrative support services, Internal Audit will consolidate in phases. On September 1, 2016, four DARS Internal Audit staff who support programs transferring to HHSC will become part of System Internal Audit. While regulatory functions remain at DADS until 2017, all 12 DADS Internal Audit staff will transfer intact to System Internal Audit on September 1, 2016. This unit will continue to provide services to DADS and will be gradually integrated once that agency is abolished.

By September 1, 2017, an additional 27 Internal Audit staff from DSHS and DFPS will become part of System Internal Audit.

Timeline for Integration of System Internal Audit

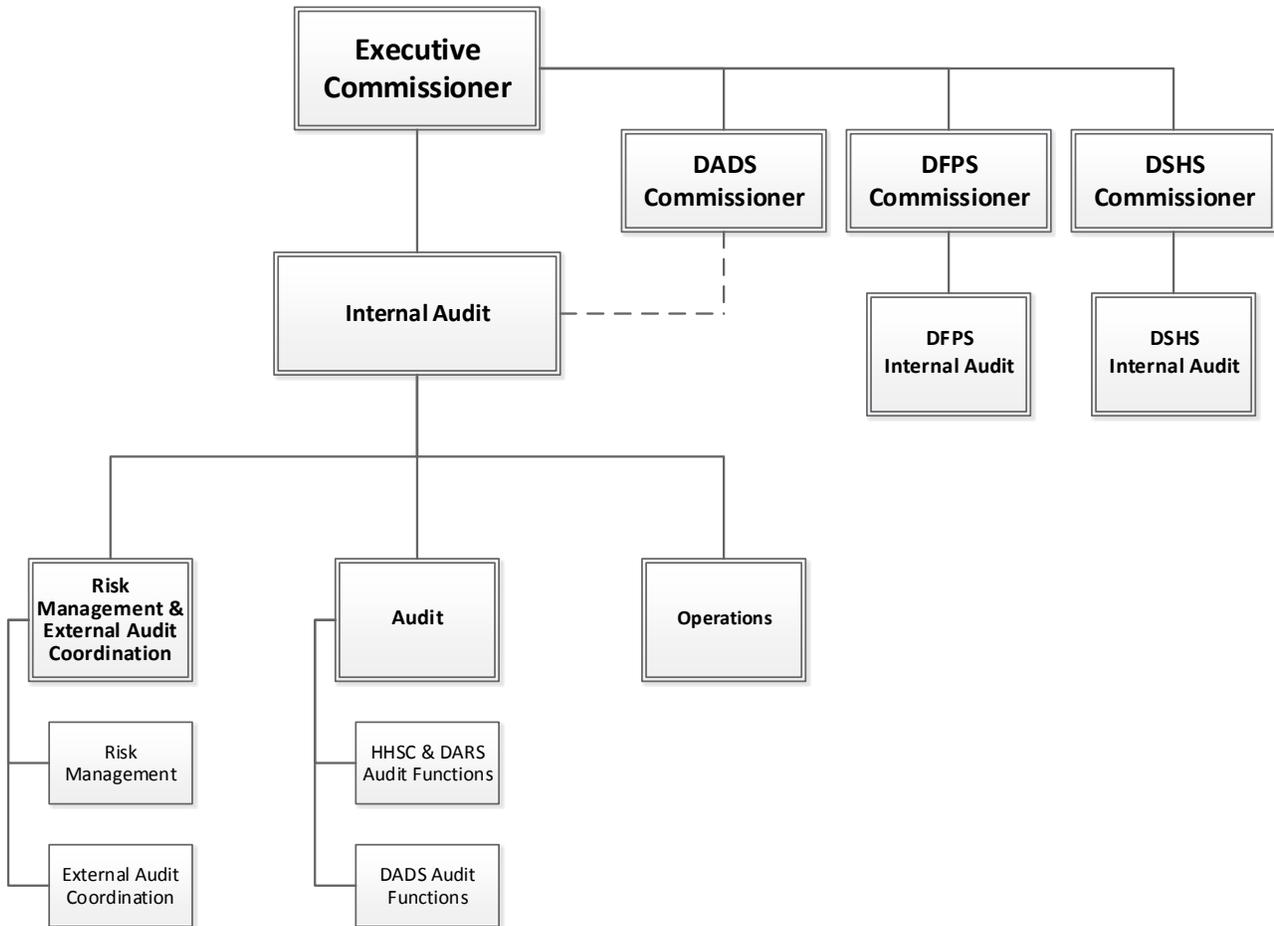
By September 1, 2016:

- Transfer four audit staff from DARS; and
- Merge 12 audit staff from DADS into the new System Internal Audit Division.

By September 1, 2017:

- Consolidate a total of 27 audit staff from DSHS and DFPS into the new System Internal Audit Division.

System Internal Audit Structure – 2016



External Relations

As in all state agencies, the roles of the staff who are responsible for the HHS system's communications, press, stakeholder, and government relations functions are essential to successful operations. The common denominator among these functional areas is the direct interface between program operations, the HHS organization, and the system's stakeholders. Creating and maintaining robust processes, both at the agency and system levels, focused on effective internal and external communication as well as responsiveness to stakeholders, is paramount to the success of HHS system operations. It is vital that these inter-related areas successfully identify issues and concerns, and coordinate responses in a timely manner.

Communications, press, stakeholder, and government relations functions from DARS and DADS will be consolidated at HHSC by September 1, 2016. DADS staff will continue to provide direct support through September 1, 2017, to DADS executive leadership and the remaining programs (state supported living centers and Regulatory Services). DFPS will retain these external relations functions as will DSHS, although scaled proportionately to the change in scope of DSHS operations. There will be a close link, including written policies and procedures for communication and coordination, between HHSC and the other two agencies.

These four key functions will be restructured at HHSC into a single division reporting to the Executive Commissioner. The division will be comprised of two separate units, consolidating government and stakeholder relations into one unit and communications and press into the other. This organizational structure is intended to:

- support legislative direction to identify opportunities for consolidation, and make the system more functional, efficient, effective, and responsive to clients and stakeholders;
- create a holistic approach to developing key messaging that ensures consistency, continuity, and accuracy;
- promote the close relationship between communications and media relations, eliminating silos and generating a seamless collaborative working environment; and
- ensure one division is responsible for communications efforts through social media.

Timeline for Integrating and Reorganizing Communications, Press, Government, and Stakeholder Relations

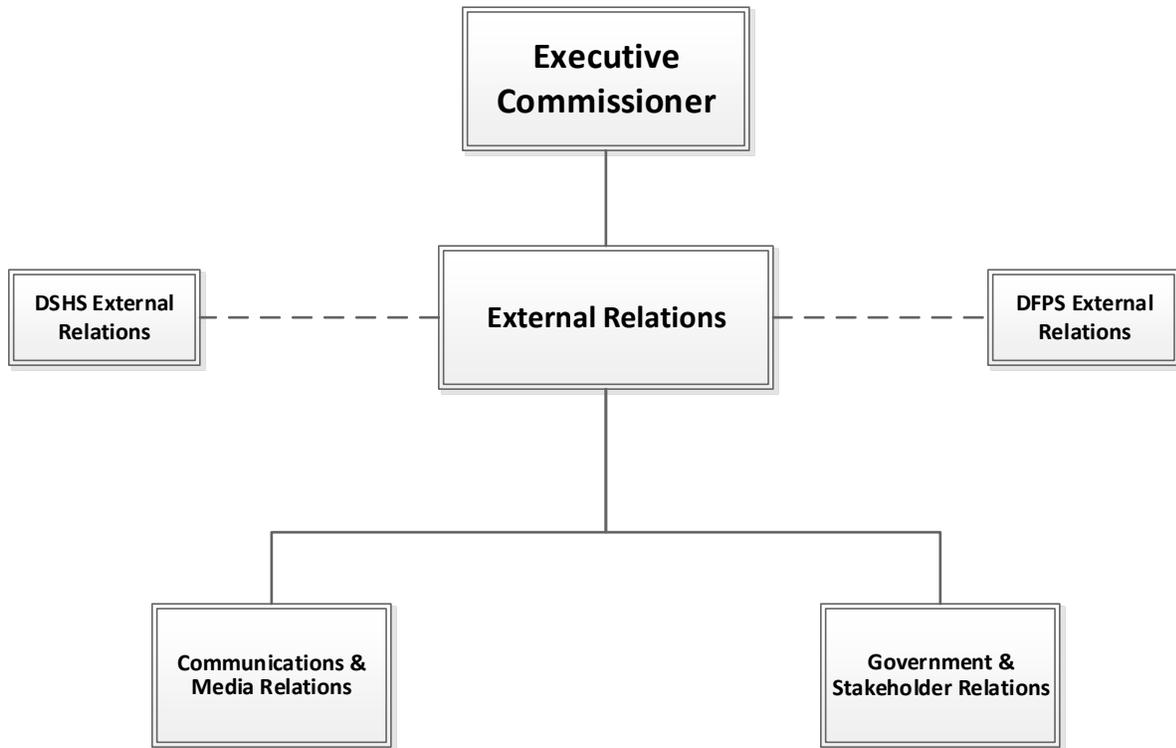
By September 1, 2016 integrate into HHSC structure:

- All DARS communications and government relations staff;
- All DADS communications, press, government and stakeholder relations staff; and
- A portion of DSHS government relations, stakeholder relations and communications staff related to the programs transferring.

By September 1, 2017:

- Determine whether there is a need for DFPS government relations staff to transition with Child Care Licensing to the new Regulatory Services Division.

External Relations Structure – 2016



Ombudsman

The March 2016 Transition Plan envisioned ombudsman functions being consolidated with government relations and stakeholder relations at HHSC. Since that time, HHSC leadership reconsidered the organizational structure and now recommends maintaining the Office of Ombudsman as a separate entity reporting to the HHSC Chief of Staff, with minimal change to the current structure. Consistent with Senate Bill 200 and subsequent efforts to integrate other support functions across the system, however, HHSC is working toward full consolidation of ombudsman functions by September 1, 2017.

By statute, the Office of Ombudsman is required to:

- provide dispute resolution services for the system;
- perform consumer protection and advocacy functions related to health and human services, including assisting a consumer or other interested person with raising a matter within the system that the person feels is being ignored and obtaining information regarding a filed complaint; and
- collect inquiry and complaint data related to the system.

By September 1, 2016, two positions with the DARS Communications unit will transfer to the Office of Ombudsman. Some functions being performed at DADS within the Consumer Rights and Services area and at DSHS within the Center for Policy and External Affairs also appear to be appropriate for integration, but require further review before a decision can be made. To prevent any interruption to activities being performed today (particularly activities that support programs not moving until 2017), HHSC will conduct further analysis and make a recommendation to the Executive Commissioner by December 1, 2016 for the transfer of appropriate DADS and DSHS staff into the Office on September 1, 2017.

SB 200 specifically abolishes “an office of an ombudsman” performing duties for DARS and DADS on September 1, 2016, and September 1, 2017, respectively, with the exception of the Independent Ombudsman for State Supported Living Centers and the State Long-term Care Ombudsman’s Office. The bill further abolishes any such office at DSHS or DFPS on a date to be established. Based on the analysis performed by the transformation workgroup reviewing ombudsman functions, the only additional office at those agencies appears to be the DFPS Office of Consumer Affairs (OCA). To preserve the OCA’s critical role with DFPS programs on behalf of consumers, HHSC will work with DFPS to implement the transfer of OCA to HHSC by September 1, 2017.

The Office of Independent Ombudsman for State Supported Living Centers, which is statutorily required to report to the Governor, will be attached to the Office of Ombudsman by September 1, 2017, through a formal administrative agreement. Also by September 1, 2017, HHSC, in consultation with DADS, will determine how the State Long-term Care Ombudsman best fits within the HHSC structure to sufficiently address federal requirements regarding organizational conflict of interest and the office’s independence. Finally, the Independent Ombudsman for Children and Youth in Foster Care will remain within the Office of Ombudsman.

Timeline for Integration into the HHSC Office of Ombudsman

By September 1, 2016:

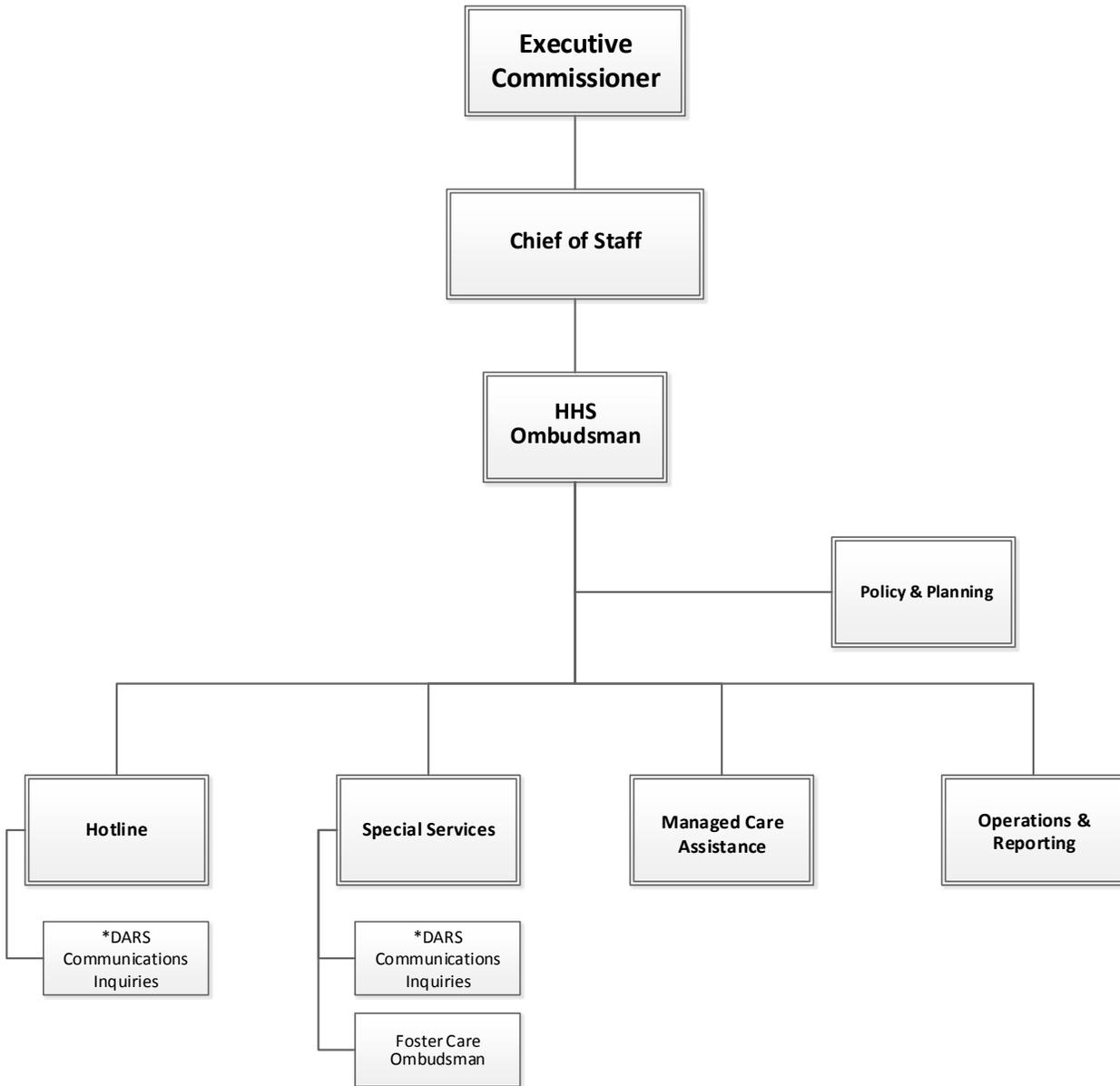
- Transfer two DARS Communications staff performing ombudsman-like functions at HHSC.

By September 1, 2017:

- Transfer any staff identified as performing ombudsman-like functions from DADS and DSHS;

- Transfer DFPS Office of Consumer Affairs;
- Determine structure for the Office of the State Long-term Care Ombudsman; and
- Transfer Independent Ombudsman for State Supported Living Centers through administrative attachment.

Office of the Ombudsman Structure – 2016



* Review of staff roles and responsibilities is ongoing to determine which team would house new staff

Transformation Office

Policy and Performance Office

In a system as large and complex as health and human services, the focus on day-to-day operations often diminishes the ability to work on strategic, long-term goals. Ensuring the capacity to do both is vital to the success of this system. To that end, Transformation, Policy, and Performance will be restructured as two separate offices reporting to the Chief Operating Officer and working to build a system of continuous improvement based on data-driven decisions.

The role of the Transformation Office focuses on system improvement and innovation. Working with the cross-division coordination and improvement units within each of the other divisions, the Transformation Office will coordinate critical programmatic and organizational changes and oversee system improvement projects across all divisions.

The Policy and Performance Office will focus on ongoing operations, policy, and data management. This office will be responsible for program evaluation, performance measurement, strategic planning, research, analytic support, rules coordination and oversight, and data reporting in order to measure day-to-day operations. Additional focus will be placed on identification of best practices, efficiencies and reallocation of resources to front line programs where possible.

While these functions are managed as separate offices, coordination between the two is imperative. Each office drives the work of the other. Transformation is responsible for developing innovations, while Policy and Performance will oversee the implementation of those innovations and track their progress. What the Policy and Performance Office learns will then drive new innovations from Transformation.

In addition to cross-division coordination and policy and program evaluation, these offices will work together to establish a performance management system that evaluates current performance measures for adequacy and develops any necessary new measures.

Performance Measures

With such large-scale changes to a system, it will be essential to define metrics that measure the success of transformation initially, but also for the restructured day-to-day operations of the health and human services programs moving forward. Toward that end, the Transformation Office will develop a variety of measures that will gauge the progress of transformation in key areas while the Policy and Performance Office will create operational performance measures.

The office began by identifying functions that could be measured immediately. Those metrics include such things as timely payments for client services contracts, timely payment to staff, and minimized impact to both services and systems. Mid-term measures demonstrate changes in capacity or efficiency, such as turnaround time for travel payments or trends in help desk tickets, and will be monitored in longer intervals.

To gain perspective on how transformation is perceived externally, the Transformation Office will establish stakeholder engagement measures, surveying those who previously have testified at council meetings or participated in advisory committees. Results from an initial survey will be compared to the results from a follow up survey in 2017 and will help inform how the system can improve in terms

of engaging stakeholders who provide critical feedback.

The Policy and Performance Office will engage an outside consultant to assist with the creation of operational measures, particularly with IT and contracting functions. The performance measurement system that is developed will feed into dashboard presentations for executive management. The consultant will also provide recommendations for innovative solutions in enterprise governance, risk, and compliance.

The organizational structure of the Transformation Office and the Policy and Performance Office is being developed. The graphic below depicts the concept of continuous improvement and outlines the key functions of the Transformation and Policy and Performance Offices.

Transformation – Policy and Performance



Transformation Office

Focused on Strategic Visioning, System Improvement and Innovation

- Performance measurement and reporting on key initiatives (system improvement dashboard)
- Project management for critical and cross divisional system improvement initiatives, programmatic, and organizational changes
- Strategic data analysis
- Change management
- Management of transformation vendor
- Leading, tracking, and reporting on ongoing transformation activities
- Identification of system-wide improvements and ways to continuously better services to clients within and across programs and administrative services

Policy and Performance Office

Focused on Ongoing Operations, Policy, and Data Management

- Performance measurement and reporting on operations (operations dashboard)
- Strategic planning
- System policy and rules coordination
- Data management and oversight
- Program evaluation
- Strategic research, analytic support and data analysis and reporting



Executive Council and Advisory Committees

Senate Bill 200 eliminates each agency's council and creates the HHS Executive Council to seek and receive public input and advise the Executive Commissioner on health and human services operations. Effective September 1, 2016, the council will consist of the Executive Commissioner, the Deputy Executive Commissioner of the Medical and Social Services Division, Chief Operating Officer, the Inspector General, and the commissioners of the HHS agencies. On September 1, 2017 the DADS commissioner will be replaced by the heads of the Regulatory and State Facilities divisions.

The legislation also authorizes the Executive Commissioner to appoint additional members as necessary. As such, the Chief Deputy Executive Commissioner and up to five public members will be appointed to the council. The public member's two-year terms will begin on January 1, 2017. In the interim, current agency council chairs will serve as public members.

The council will conduct quarterly meetings or more frequently as business dictates. HHSC External Relations will create a meeting structure that efficiently manages workload and provides a regular and frequent venue for public comment on HHS system activities.

The Executive Council's role, in part, will be to receive public input on proposed rules and advisory committee recommendations. Advisory committees play a crucial role in the HHS system. Client and family involvement, subject matter expertise, and the circulation of new ideas are all vital to the success of an agency. However, the sheer number of committees can sometimes limit their usefulness. Recognizing the need for change, Senate Bill 200 and Senate Bill 277 removed 36 advisory committees from statute and authorized the Executive Commissioner to re-establish committees in rule that would address the following issues:

- Medicaid and other social services programs
- Managed care under Medicaid and CHIP
- Health care quality initiatives
- Aging
- Persons with disabilities, including persons with autism
- Rehabilitation, including for persons with brain injuries
- Children
- Public health
- Regulatory Matters
- Behavioral health
- Protective services
- Prevention efforts

A cross-agency workgroup reviewed the ongoing needs of all advisory committees with the goal of achieving a more effective way for stakeholders to provide meaningful input on system programs.

The workgroup developed criteria to evaluate 133 committees across the five health and human services agencies, including purpose and scope, committee charges and reporting requirements, duplication or overlap in functions or topics among existing committees, and the active status of each committee. Based on the evaluation, the workgroup prepared a summary of findings to post for stakeholder and public input.

In September 2015, stakeholders provided feedback that was evaluated, and presented to the Executive Commissioner, whose final decisions were posted in the Texas Register on October 30, 2015. Staff drafted the necessary rules, gathered additional feedback from stakeholders, and presented them to each agency's advisory council for approval. These rules became effective July 1, 2016. A list of the recreated committees can be found in Appendix C.

2017 Structure

Regulatory Services

Regulatory functions will not be transferred until September 1, 2017, although planning is well underway to create a new, centralized structure that consolidates regulatory services from DADS, DFPS, and DSHS into a single organizational structure. Organized by facility type or profession regulated, this new structure will make it easier for the public, providers, and regulated entities and individuals to locate and access services, as well as report and resolve complaints and incidents. Grouping like functions for similar programs streamlines the regulatory process, enhances staff expertise, improves communication and accountability, and allows for collaboration and sharing of resources across different regulatory programs.

Transforming how the HHS system provides regulatory services is not without risks or challenges. Operating state facilities while also performing regulatory oversight responsibilities for those facilities can be seen as a conflict. By separating the reporting structures of these functions, HHSC achieves the greatest amount of separation possible while remaining in a single agency.

Over the next 12 months, extensive planning will occur to mitigate other risks and ensure staff are appropriately trained to incorporate the expanded array of regulatory activities and disseminate information to providers and the public so they may efficiently navigate the new structure and important connections between child care licensing and DFPS are maintained. A list of regulated entities by provider and facility type can be found in Appendix D.

Additionally, HHSC will continue to finalize decisions regarding the Regulatory Services Division before its formation on September 1, 2017. For example, an internal workgroup recommended the Board for Evaluation of Interpreters (BEI) move to this division and that was reflected in the initial Transformation plan. Due to feedback received from stakeholders, HHSC will continue to evaluate the appropriate organizational placement to support the BEI certification program.

Concerns have also been raised regarding the transfer of Child Care Licensing and Adult Protective Services investigatory functions related to abuse and neglect from DFPS to the regulatory division at HHSC. However, any change in approach would require legislative direction during the 85th session.

Although additional revisions may occur as division leadership positions are filled, the functional structure on the following page reflects the general organization of the Regulatory Services Division.

Long-Term Care and Acute Care Regulation – License, certifies, inspects, surveys, investigates, and enforces state and federal laws, rules and regulations for long-term care, home health, hospice, and acute care providers and facilities. Includes abuse and neglect investigations involving community providers which are currently conducted in the Adult Protective Services Division of DFPS.

Regulatory Services Defined

Protects the health, safety, and welfare of vulnerable Texans and helps individuals and entities comply with state and federal laws and regulations. The new division will license, credential, inspect and survey, investigate, enforce, train, and develop policy for long-term care providers and occupations, acute care facilities, certain healthcare professions and occupations, childcare providers, and interpreters.

Childcare Regulation – License, certifies, inspects, investigates, and enforces statewide health and safety standards for daycare and residential operations, as well as educates providers and families.

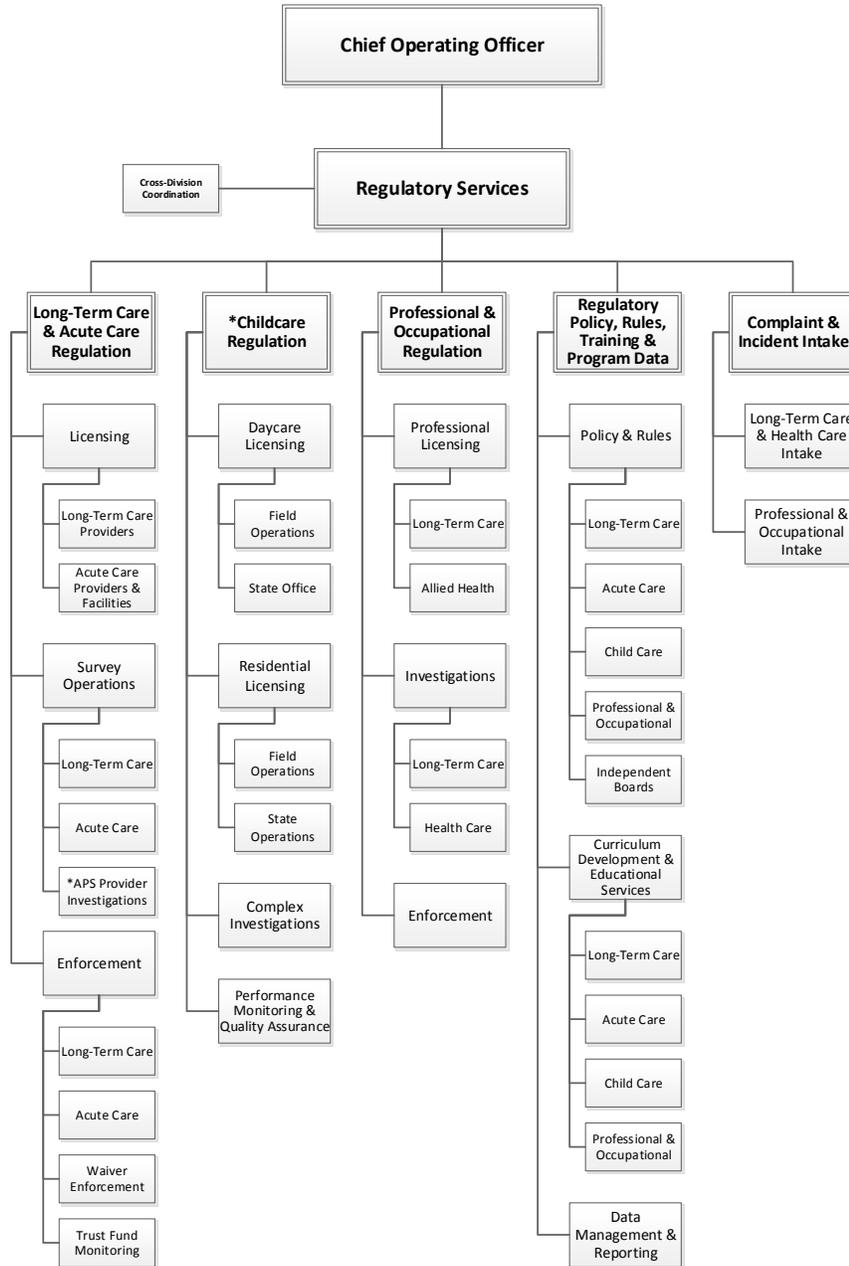
Professional and Occupational Regulation – Screens applications and issues licenses and certificates for nursing facility administrators, medication aides, nurse aides, social workers, professional

counselors, clinical supervisors, home health administrators, chemical dependency counselors, sex offender treatment providers, marriage and family therapists, and licensed administrators.

Regulatory Policy, Rules, Training and Program Data – Develops and coordinates policy, rules, curriculum development, and training delivery for all regulatory programs; maintains records; and collects and reports data.

Complaint and Incident Intake – Receives and refers regulatory complaints submitted by the public, clients, providers, and licensees.

Regulatory Services Division – 2017



* Statute requires that APS Provider Investigations and Child Care Licensing move to HHSC as part of the Regulatory Division. Any adjustments will require statutory direction.

State Operated Facilities

The transfers of facility operations will not occur until September 1, 2017. However, the development of a new, centralized structure has begun. Once established, the State Operated Facilities Division will consist of the 12 state supported living centers now operated by DADS and the 12 state facilities operated by DSHS. Management of operations will be organized in a way that allows these facilities to better collaborate, thereby reducing redundancy and strengthening service delivery.

Transforming this structure will require in-depth planning over the next year to identify barriers that may negatively impact service coordination. Planning also will focus on enhancing the important connections between these facilities and the local mental health and intellectual and developmental disability authorities, ensuring smooth transitions for admission to a facility or as residents move to community settings.

The functional chart on the following page offers an initial, high-level structure for the Facility Operations Division, and the summaries below describe the areas within the division.

Forensic Director – Coordinates and oversees forensic services statewide, including evaluations of forensic patients, transition of forensic patients from inpatient to outpatient or community-based services, community forensic monitoring, and forensic research and training.

State Supported Living Centers – Manages 12 SSLCs and the Intellectual and Developmental Disabilities Unit of the Rio Grande State Center.

State Hospitals – Manages 12 state-operated facilities, including nine mental health hospitals, the psychiatric inpatient unit and public health outpatient clinic of Rio Grande State Center, and one infectious disease hospital, the Texas Center for Infectious Disease. This department also operates the Waco Center for Youth, a psychiatric residential treatment center.

Business Support Services – Establishes budgets for all the facilities and the state office, monitors adequacy of staffing ratios, monitors capital construction requests, and coordinates with the assistant directors of administration (SSLCs) and business managers (state hospitals) at each facility.

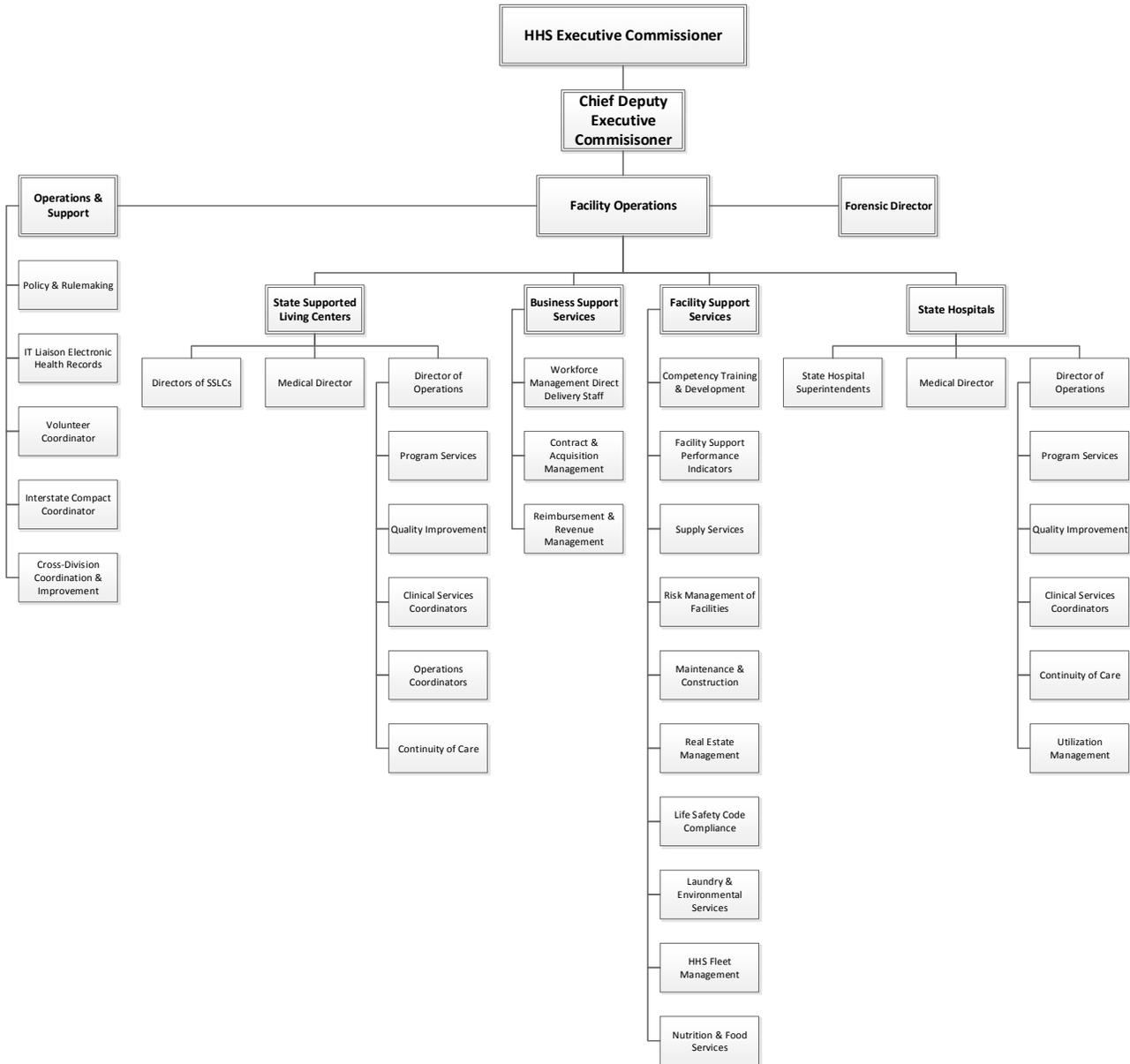
Facility Operations Defined

Operation of two types of state-owned facilities – those that provide 24-hour care and inpatient psychiatric services to individuals with serious mental illness, and those that provide campus-based direct services and supports to people with intellectual and developmental disabilities.

Facility Support Services – Provides facilities management for the state hospitals and SSLCs, handling functions such as food and laundry services and construction project oversight. HHSC currently provides these services for state-operated facilities managed by DADS and DSHS. This new division brings that support structure together with operational oversight.

Operations and Support – Provides operational and administrative support for the Facility Operations Division, including coordinating and supporting the development of policies and rules, coordinating with IT on electronic health records, and utilizing performance data to help agency leadership make informed decisions.

State Operated Facilities Division – 2017



Appendices

Appendix A

Stakeholder Input

Stakeholder input is vital to the HHS system transformation efforts. In a system as vast as health and human services with more than six million clients and more than 55,000 employees, insight from stakeholders helps HHS understand the needs of those we serve.

The sections below describe the processes used to engage internal and external stakeholders through its transformation efforts.

Stakeholder Feedback

On December 2, 2015, the HHS system held its first public hearing in Austin providing stakeholders the opportunity to share their thoughts on what aspects of transformation were most important. Over the next two months, seven additional hearings were held across the state in Abilene, Amarillo, El Paso, Grand Prairie, Houston, Tyler, and Harlingen.

Concurrent with that process, the HHS system created two surveys – one for external stakeholders, one for employees – and posted them to the health and human services system transformation website. Both surveys were open for six weeks to offer ample opportunity to provide feedback.

In addition, stakeholders can continue to provide comments on the transformation process by emailing a designated mailbox established solely for that purpose.

Throughout this process, staff gathered, summarized, and shared the feedback with each of the appropriate cross-functional workgroups to consider as they worked to develop recommendations for the overall structure of the HHS system. The following is a summary of themes that emerged as well as the number of participants through each of these processes.

HHS Public Hearings

More than 300 stakeholders interested in the transformation process attended the public hearings. The comments touched on a variety of topics regarding the restructuring of the HHS system, including recommendations to:

- establish an area to focus on aging issues;
- improve communication mechanisms for clients as well as providers;
- identify and address gaps in mental health services;
- ensure regulatory programs are fair, appropriate and strong;
- create a single point of entry to help clients navigate the system; and
- ensure smaller programs are not lost in the transition.

HHS Stakeholder Survey

Survey respondents contributed more than 800 comments about the core program functions, as well as suggestions for improving communication and transparency. The following list highlights stakeholder feedback themes.

- Need to establish an office on aging as a top priority of transformation as the average population in the State of Texas grows increasingly older.
- Concern that there are too many administrators involved in the process of dictating what

happens at a local level.

- Desire for regulatory inspections to happen at regular intervals and be consolidated into one functional oversight function.
- Need for the HHS system to be easier for clients to access. Website, 2-1-1, and other features can be confusing. Not all clients have technology (smart phones, computers) to access services. Creating a more coordinated entry point can assist in solving this problem.

HHS Employee Survey

The survey for HHS agency employees was posted online December 14, 2015, and announced in the HHS employee newsletter, *The Connection*. The survey was available for six weeks before closing January 22, 2016. More than 4400 employees submitted responses to the online transformation survey, which focused on workgroup efforts to restructure the HHS system in divisions based on the five core functions. The following list highlights employee feedback themes.

- Desire for a single point of entry for people applying for services and benefits.
- Desire for more effective ways of educating the public about, and how to access, services.
- Enthusiasm for a more coordinated entry point that creates opportunities for more streamlined services, coordinated across divisions, and clearer information about how the public can access services.
- Ideas for improvement: centralized, simplified, and electronic intake to ensure collection of uniform client information.
- Desire to increase cross-agency coordination to better serve clients.

Other Transformation Division Staff Activities

As part of a continued effort to improve communication both internally and externally regarding the transformation efforts, Transformation, Policy, and Performance staff have engaged in the following activities in order to provide information, answer questions and seek additional feedback.

- Presented at meetings of the DARS, DADS, DFPS, DSHS, and HHSC councils.
- Presented at meetings of numerous advisory committees, stakeholders and provider groups, including:
 - NorthSTAR;
 - STAR+PLUS Nursing Facility Advisory Committee;
 - State Medicaid Managed Care Advisory Committee;
 - Behavioral Health Advisory Committee;
 - Facility Support Services Oversight Committee;
 - IDD System Redesign Advisory Committee;
 - Texas Medical Association's Select Committee on Medicaid, CHIP, and the Uninsured;
 - Texas Council on Autism and Pervasive Developmental Disorders;
 - Texas CHIP Coalition;
 - Texas System of Care Consortium;
 - Consumer Direction Workgroup;
 - Hogg Mental Health Policy Academy; and
 - Mental Health and Substance Abuse Disorder Advocates.
- Developed a HHS Transformation intranet site to keep HHS employees updated with the latest news and information on the transformation process.
- Attended and sought input from HHS staff at numerous executive-level meetings, management

meetings, all staff meetings, and workgroups.

- Participated in the review, development, and implementation of the DARS to TWC Transition Plan, including attending workgroup meetings and developing transition working papers.
- Presented at meetings of the Aspiring Leaders Academy and Executive Leadership Academy.
- Provided weekly articles in The Connection, an internal HHS employee newsletter, to update and engage employees in the transformation process.

Appendix B

Procurement and Contracting Changes

Recommendation	Source	Change
Define and strengthen role in both procurement and contract management.	HHSC Sunset Recommendation 2.3	Complete - PCS works with each agency on enrollments and all procurements. By having the Contract Oversight divisions report to PCS, there is also better insight into enrollments and contracting activities across the system. The Contract Oversight divisions also provide guidance and assistance to contract managers and monitors.
Improve assistance to and communications with system agencies.	HHSC Sunset Recommendation 2.4	Complete - PCS is working with all HHS agencies, and the programs within those agencies, to address contract issues and streamline processes. PCS has also significantly upgraded its Procurement Support team to provide expertise on procurement processes and HHS systems to internal customers.
Develop ways to apply focused, high level attention to system contracting.	HHSC Sunset Recommendation 2.5	Complete - The HHS Contract Management Handbook, for the entire system, was issued 9/1/15. There is also a legal team dedicated to contracting issues. PCS is at the table for executive and major discussions that involve contracts.
Create or reconstitute a workgroup similar to the Contracts Council to ensure close communication and coordination with the agencies in the development of system-wide contracting policies, procedures and best practices.	Strike Force Report Recommendation HHSC Sunset Recommendation 2.5	PCS is currently reconstituting the Contract Council, which will include as members the Chief Operating Officers of each HHS agency and expertise from areas such as procurement, contract management, legal and ethics.
Provide recurring training on statewide procurement and contract management statutes, rules and policies.	Strike Force Report Recommendation	<p>PCS conducted an evaluation of its request for proposal (RFP) processes to identify improvements and developed RFP training for purchasers.</p> <p>Also worked with HHS agency COS directors to develop and deliver contract management training based on the new Contract Management Handbook.</p>

Recommendation	Source	Change
Clearly define what constitutes a contract, including legal definitions, and use these definitions to collect system-wide contract data for reporting purposes.	Strike Force Report Recommendation	PCS has incorporated an HHS system-wide standard definition of contract in the Contract Management Handbook, which in turn informed the new contract data elements collected in the HHS Contract Administration Tracking System (HCATS).
Acquiring or developing a true procurement and contract management system with greater functionality than HCATS.	Strike Force Report Recommendation	<p>Health and human services agencies are onboarding to CAPPs on September 1, 2017.</p> <p>In addition, other team members are developing a new comprehensive contract management system to provide the functionality recommended by Strike Force and recent statutory changes. Together, these systems will enhance the transparency and effectiveness of procurements, and include comprehensive reporting on contract administration and monitoring activities.</p>

Appendix C

HHS System Advisory Committees

- Aging and Disability Resource Center State Advisory Committee
- Aging Texas Well Advisory Committee
- Foster Grandparent Program Advisory Committee
- Nursing Facility Administrators Advisory Committee
- Texas Respite Coalition
- Board for Evaluation of Interpreters
- Early Childhood Intervention Advisory Committee
- State Independent Living Council
- Advisory Committee on Promoting Adoption of Minority Children
- Committee for Advancing Residential Practices
- Parent Collaboration Group
- Public Private Partnership
- Youth Leadership Council
- Governor’s Emergency Medical Services (EMS) and Trauma Advisory Council
 - Stroke Subcommittee
- Healthcare Safety Advisory Committee
- Interagency Obesity Council
- Joint Committee on Access and Forensic Services
- Maternal Mortality and Morbidity Task Force
- Medical Advisory Board
- Newborn Screening Advisory Committee
- Preparedness Coordinating Council
- Promotor(a) or Community Health Worker Training and Certification Advisory Committee
- Public Health Funding and Policy Committee
- Residency Advisory Council
- Sickle Cell Advisory Committee
- State Child Fatality Review Committee
- State Preventive Health Advisory Committee
- Statewide Health Coordinating Council
 - Texas Center for Nursing Workforce Studies Subcommittee
- Texas Council on Alzheimer’s Disease and Related Disorders
- Texas Council on Cardiovascular Disease and Stroke
- Texas Diabetes Council
- Texas HIV Medication Advisory Committee
- Texas Radiation Advisory Board
- Texas School Health Advisory Committee
- Tobacco Settlement Permanent Trust Account Administration Advisory Committee
- Toxic Substances Coordinating Committee
- Youth Camp Advisory Committee
- Advisory Committee on Qualifications for Health Care Translators and Interpreters
- Behavioral Health Advisory Committee
 - Block Grant Subcommittee
 - Children and Youth Behavioral Health Subcommittee

- Behavioral Health Integration Advisory Committee
- Drug Utilization Review Board
- e-Health Advisory Committee
- Employment First Task Force
- IDD System Redesign Advisory Committee
- Interagency Task Force on Ensuring Appropriate Care Settings for Persons with Disabilities / Promoting Independence Advisory Committee
- Medical Care Advisory Committee
 - Hospital Payment Advisory Committee (subcommittee)
- Palliative Care Interdisciplinary Advisory Council
- PARIS Workgroup
- Perinatal Advisory Council
 - Centers of Excellence for Fetal Diagnosis and Therapy Subcommittee
- Policy Council for Children and Families
- STAR Kids Managed Care Advisory Committee
- State Medicaid Managed Care Advisory Committee
 - STAR+PLUS Quality Council
- Statewide Advisory Coalition for Addressing Disproportionality and Disparities
- Texas Autism Council
- Texas Brain Injury Advisory Council
- Texas Council on Consumer Direction
- Value Based Payment and Quality Improvement Advisory Committee
- Women’s Health Advisory Committee

Appendix D

Regulatory Provider and Facility Types

The organizational chart for the Regulatory Services Division outlines at a high level the groupings of provider or facility types which that division regulates. Below are the specific professions and facility types that fall under each category.

Long-Term Care Provider Types

- Nursing Facilities
- Assisted Living Facilities
- Day Activity Health Services Facilities
- Home and Community Services Support Agencies
- Prescribed Pediatric Extended Care Centers
- Intermediate Care Facilities for Individuals with Intellectual Disabilities
- State Supported Living Centers
- Medicaid Waiver Program Service Providers (Home and Community-based Services and Texas Home Living)

Long-Term Care Profession/Occupation Types

- Nursing Facility Administrator
- Certified Nurse Aides
- Permitted Medication Aides

Acute Care Facility Types

- Hospitals
- Abortion Facilities
- End State Renal Disease Facilities
- Freestanding Emergency Medical Care Facilities
- Birthing Centers
- Crisis Stabilization Units
- Chemical Dependency Facilities
- Narcotic Treatment Programs
- Psychiatric Hospitals
- Ambulatory Surgical Centers
- Comprehensive Outpatient Rehabilitation Facilities
- Federally Qualified Health Centers
- Outpatient Physical Therapy/Speech Therapy
- Rural Health Clinics
- Portable X-ray
- Transplant Hospitals
- Clinical Laboratories

Health Care Profession/Occupation Types

- Professional Counselors
- Professional Counselor Intern
- Professional Counselor Supervisor

- Professional Counselor Continuing Education Provider
- Marriage and Family Therapist
- Marriage and Family Therapist Associate
- Marriage and Family Therapist Supervisor
- Marriage and Family Therapist Continuing Education Provider
- Chemical Dependency Counselor
- Chemical Dependency Counselor Intern
- Chemical Dependency Training Sites
- Certified Clinical Supervisor
- Baccalaureate Social Worker
- Master Social Worker
- Master Social Worker – Advanced Practitioner
- Clinical Social Worker
- Social Worker Continuing Education Provider
- Sex Offender Treatment Provider
- Sex Offender Treatment Provider Affiliate

Childcare Facility Types

- Day Care
 - Licensed Childcare Centers
 - Before/After School Program
 - Childcare Program
 - School Age Program
 - Licensed Childcare Homes
 - Registered Childcare Homes
 - Listed Family Homes
 - Small Employer-Based Child Care
 - Temporary Shelter
- Residential Care
 - Child Placing Agencies
 - Homes Verified by Child Placing Agencies
 - Licensed Residential Operations

Public Health Programs Defined

Protecting, Promoting and Improving the Health and Wellness of Communities and Populations by Encouraging Healthy Behaviors	Detecting, Monitoring, Preventing and Controlling the Spread of Infectious and Chronic Diseases	Analyzing and Reporting Disease Trends	Promoting Injury Prevention	Identifying, Treating, Managing, Preventing and Reducing Health Problems Related to Environmental Hazards	Conducting Emergency Preparedness and Response Activities
<p><i>Community Health</i></p> <p><u>Maternal & Child Health</u></p> <ul style="list-style-type: none"> Population Health Services Healthy Texas Babies Texas Healthy Adolescent Community Health Worker Program <p><u>Health Promotion & Chronic Disease Prevention</u></p> <ul style="list-style-type: none"> Community and Worksite Wellness School Health Alzheimer's <p><u>Specialized Health Services</u></p>	<p><i>Public Health Operations</i></p> <p><u>Border Health</u></p> <p><i>Infectious Disease</i></p> <p><u>TB</u></p> <p><u>HIV/STD Immunization</u></p> <p><u>Infectious Disease Epidemiology & Zoonosis</u></p> <p><i>Community Health</i></p> <p><u>Health Promotion & Chronic Disease Prevention</u></p> <ul style="list-style-type: none"> Diabetes Kidney Potentially Preventable Hospitalization Comprehensive Cancer Heart Disease & Stroke Tobacco 	<p><i>Public Health Analytics</i></p> <p><u>Center for Health Statistics</u></p>	<p><i>Public Health Operations</i></p> <p><u>EMS/Trauma System</u></p> <p><i>Community Health</i></p> <p><u>Maternal & Child Health</u></p> <ul style="list-style-type: none"> Maternal Mortality, Morbidity, and Child Fatality Review Teams Injury, Abuse/Prevention <p><u>Health Promotion & Chronic Disease Prevention</u></p> <ul style="list-style-type: none"> SafeRider 	<p><i>Public Health Operations</i></p> <p><u>Food/Drug Safety Radiation Control Environmental Health</u></p>	<p><i>Public Health Operations</i></p> <p><u>Health Emergency Response & Preparedness</u></p>
<p>While many programs fulfill multiple public health functions, each program has been classified according to its primary public health function</p>					
<p>Public Health Regions, Laboratory, Registries, Enviro-Epi, Vital Statistics, Office of Academic Affairs (These program areas support or deliver services across multiple public health functions)</p>					

Appendix F

HHS System Agencies in 2015

As it exists today, the HHS system is made up of five stand-alone agencies that operate within a coordinated system. Collectively, the system administers more than 200 programs and serves more than six million Texans.

As the largest agency in the system, the Department of Aging and Disability Services provides long-term services and supports for older individuals and people with intellectual and physical disabilities in both community-based and institutional settings; licenses and regulates providers of these services; and administers the state's Guardianship program.

The Department of Assistive and Rehabilitative Services is made up of four divisions: Rehabilitative Services, Blind Services, Early Childhood Intervention and Disability Determination Services. Programs within these divisions provide vocational rehabilitation to assist those with disabilities to find jobs, ensure that people with disabilities have the opportunity to live independently in their communities, and help families with children under age 3 with disabilities or developmental delays.

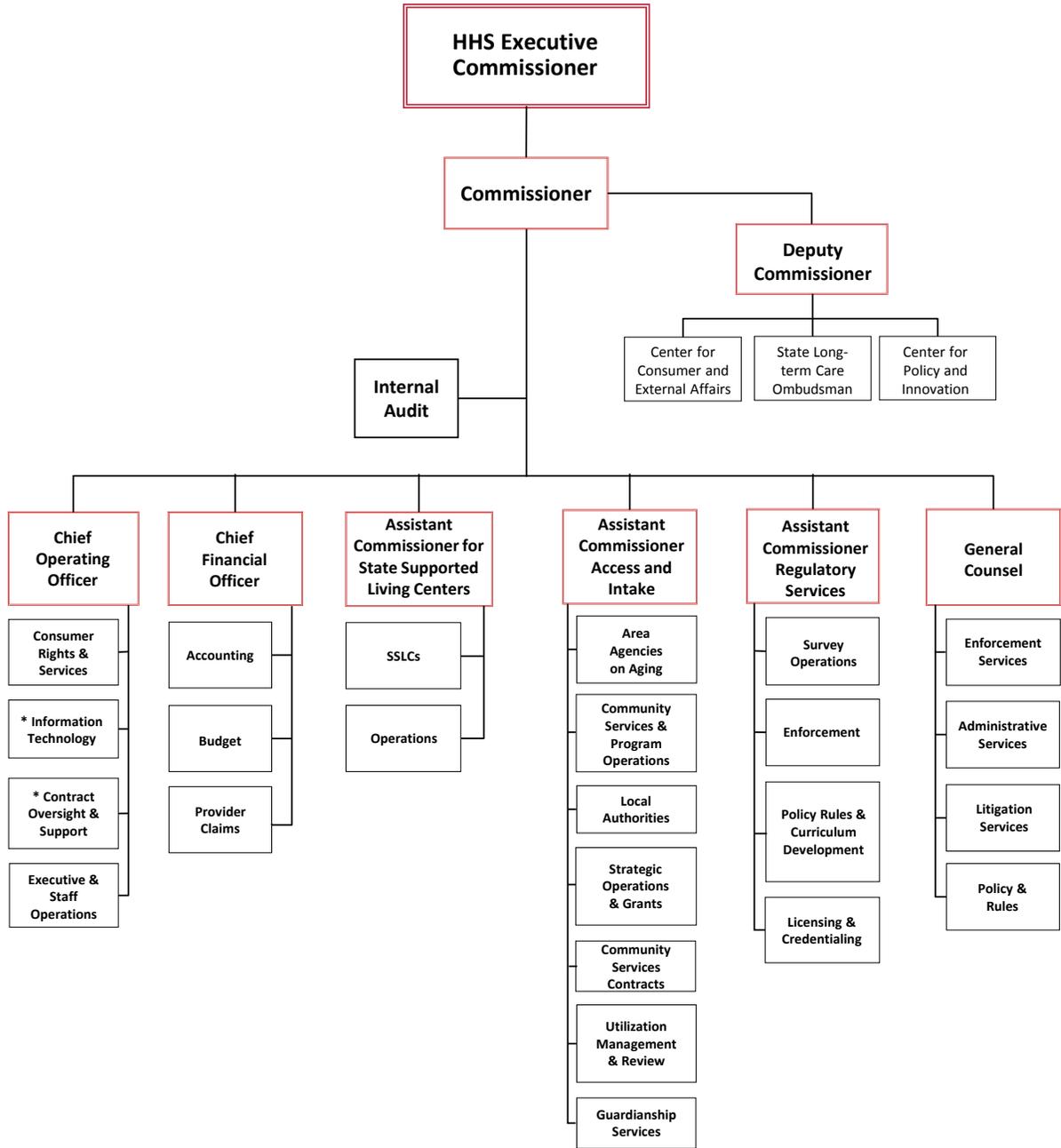
Through its five major program areas, the Department of Family and Protective Services focuses on protecting vulnerable Texans. Undergoing a transformation of its own, Child Protective Services works to prevent child abuse and neglect through investigations, services, foster care and adoption. Adult Protective Services protects the elderly and people with disabilities from abuse, neglect and exploitation (ANE). In addition, DFPS is responsible for the regulation of childcare facilities and handles around-the-clock intake of ANE reports across the state.

The Department of State Health Services has a broad focus overseeing programs such as disease prevention and regional and local health services, family and community health services, environmental and consumer safety, regulatory programs, and mental health and substance abuse prevention and treatment programs.

The Health and Human Services Commission oversees the system and its support functions, as well as administers Medicaid and CHIP, determines eligibility and implements other HHS programs. As part of the HHSC structure, and appointed by the Governor, the Inspector General works to prevent fraud, waste and abuse within the HHS system through audits, inspections and investigations.

Beginning on the following page are the organizational charts of each agency as they were structured on September 1, 2015.

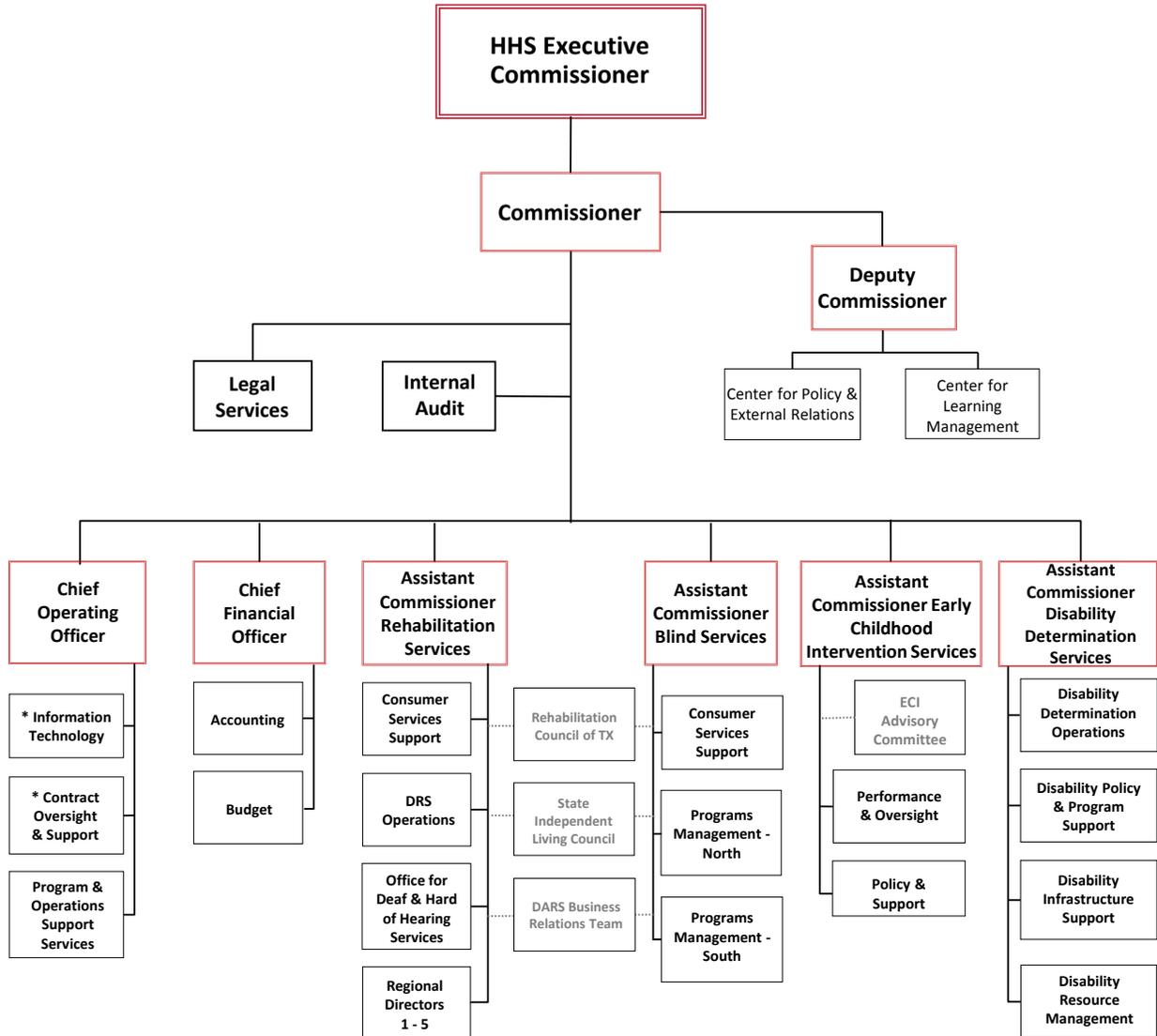
Department of Aging and Disability Services



As of September 1, 2015

* Information Resource Manager reports to the HHS Chief Information Officer and Contract Oversight and Support Director reports to DEC of Procurement & Contracting Services, but each continues to ensure services meet agency needs.

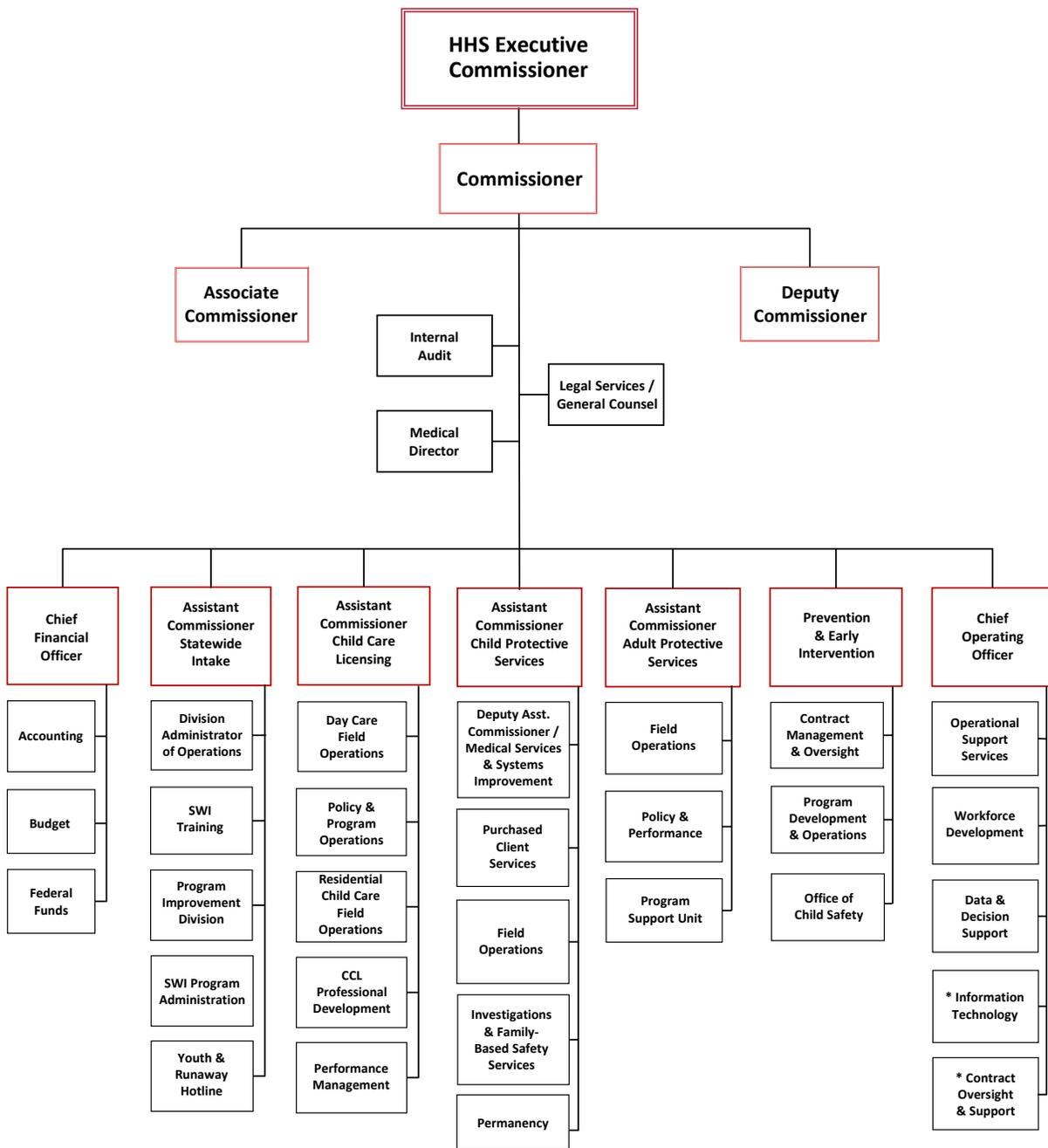
Department of Assistive and Rehabilitative Services



As of September 1, 2015

* Information Resource Manager reports to the HHS Chief Information Officer and Contract Oversight and Support Director reports to DEC of Procurement & Contracting Services, but each continues to ensure services meet agency needs

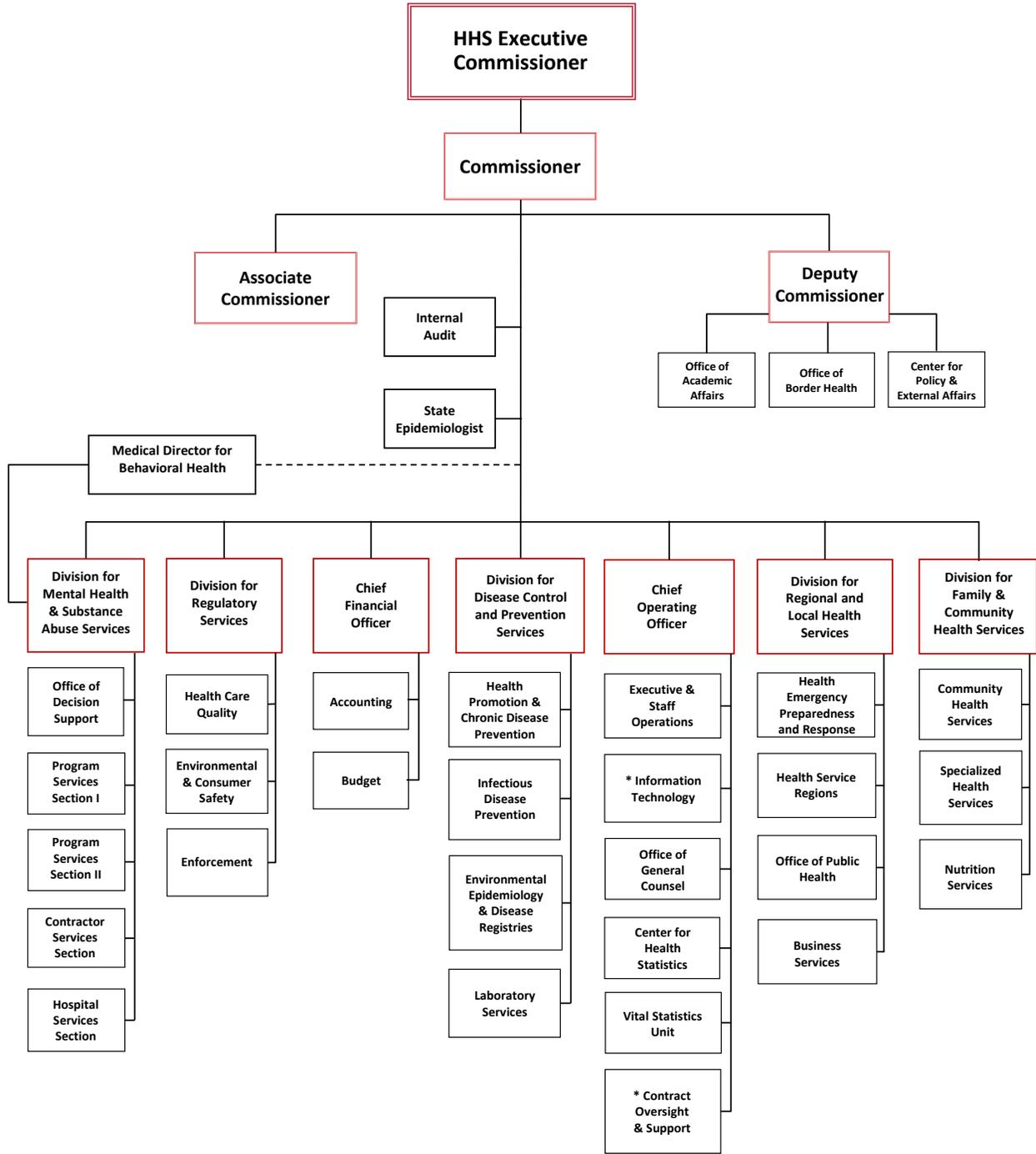
Department of Family and Protective Services



As of September 1, 2015

* Information Resource Manager reports to the HHS Chief Information Officer and Contract Oversight and Support Director reports to DEC of Procurement & Contracting Services, but each continues to ensure services meet agency needs

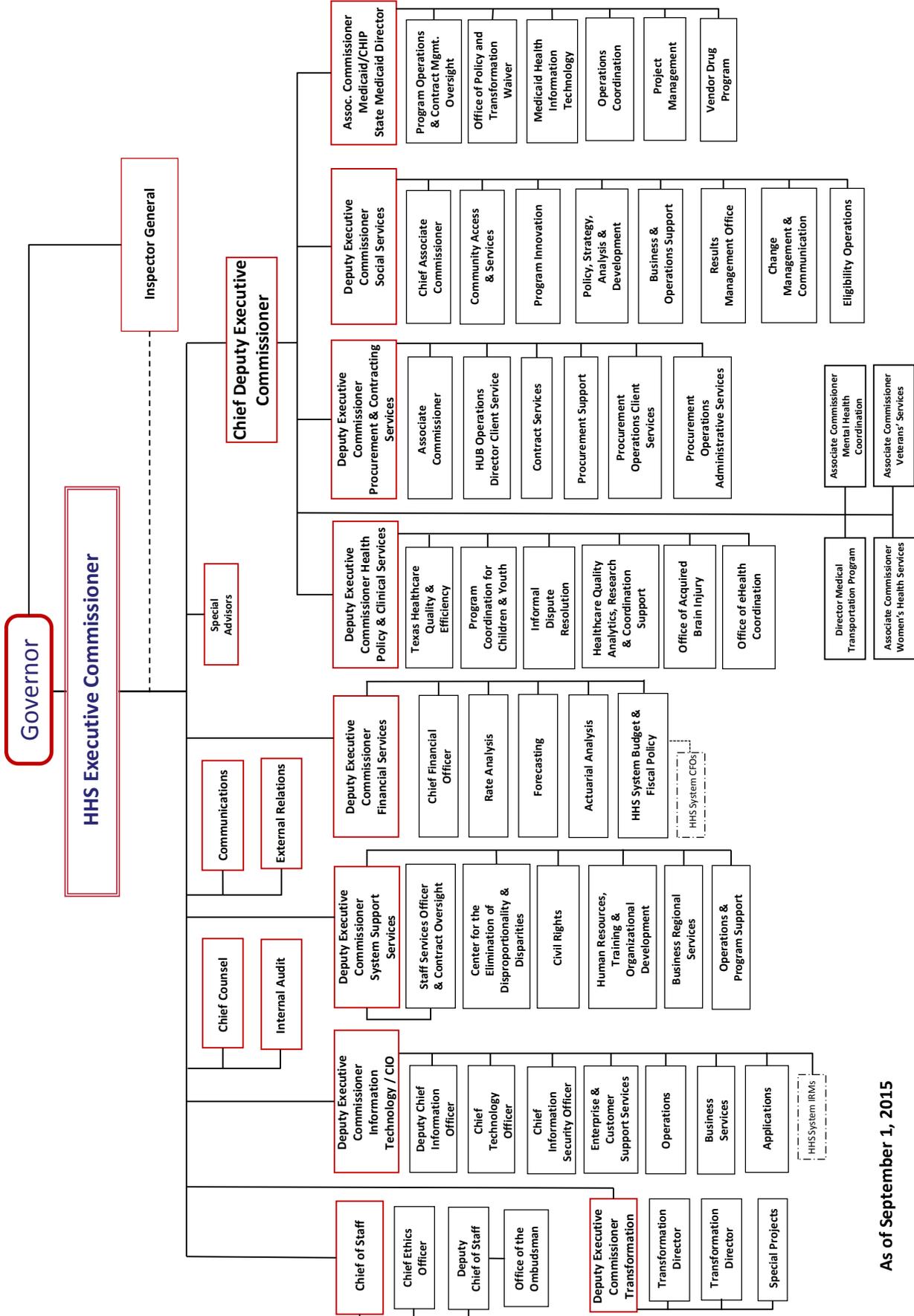
Department of State Health Services



* Information Resource Manager reports to the HHS Chief Information Officer and Contract Oversight and Support Director reports to DEC of Procurement & Contracting Services, but each continues to ensure services meet agency needs

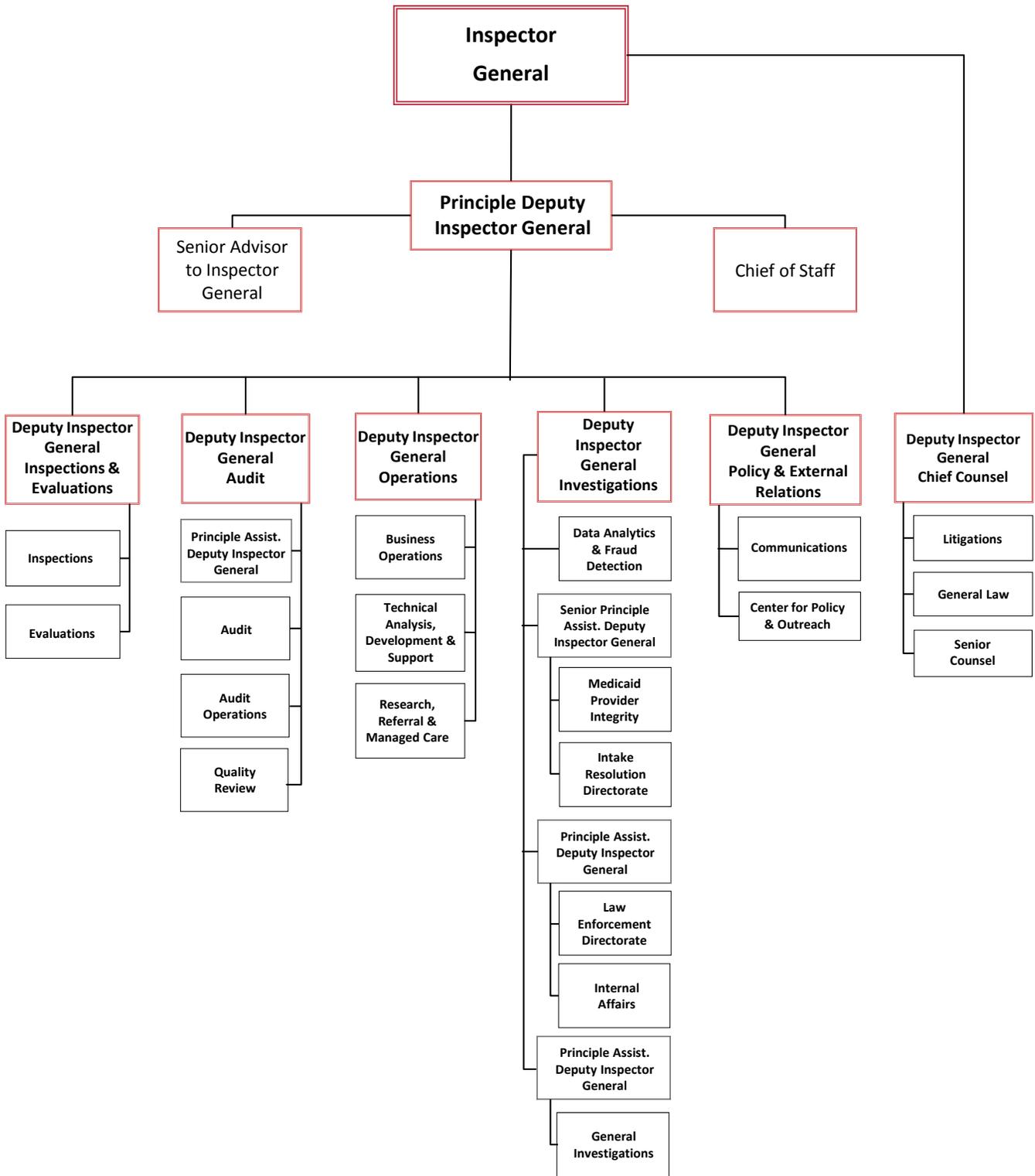
As of September 1, 2015

Health and Human Services Commission



As of September 1, 2015

Inspector General



As of September 1, 2015



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