



**Presentation to the
Transition Legislative Oversight Committee
on Transformation of the
Health and Human Services System**

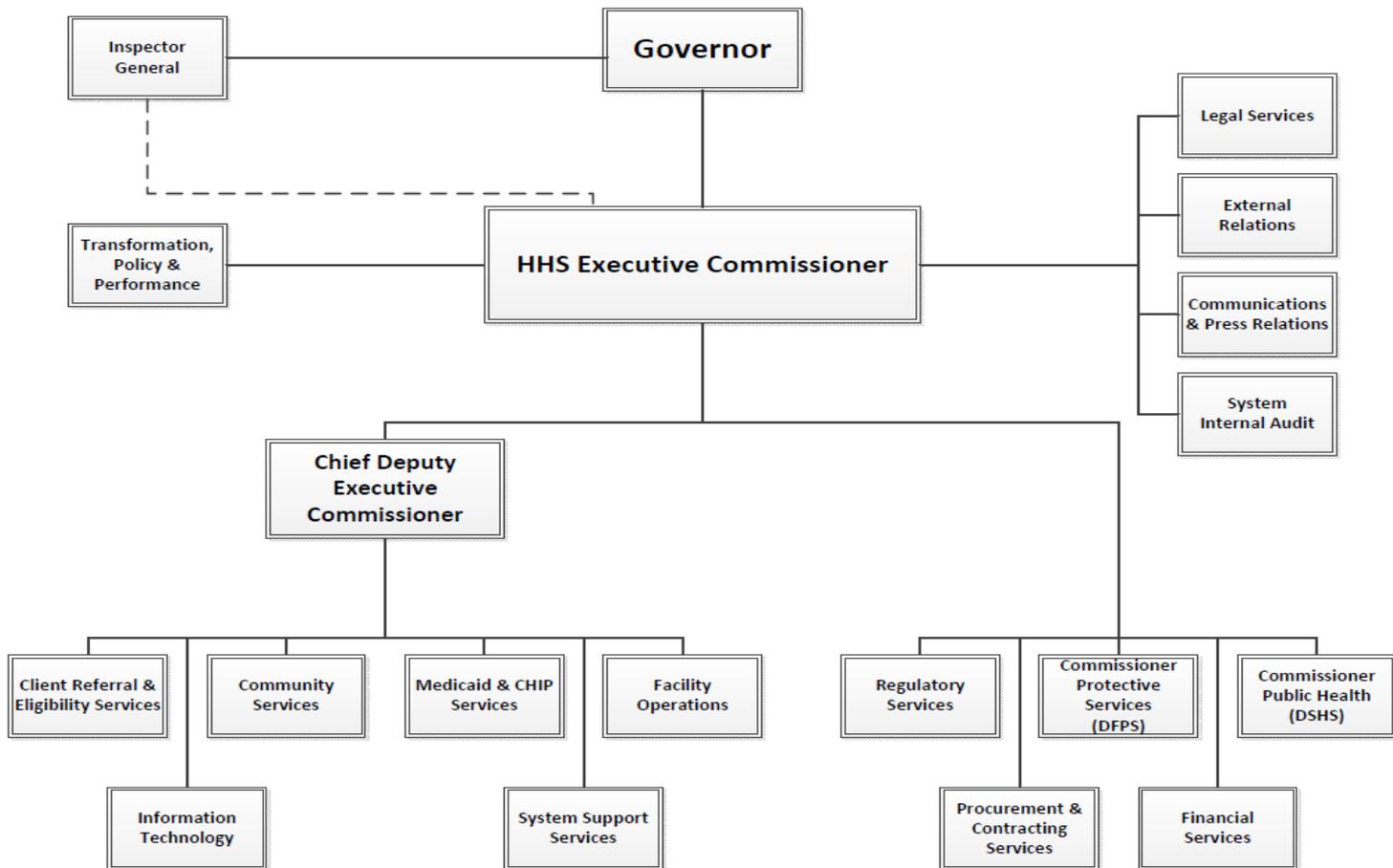
Chris Traylor, Executive Commissioner

March 31, 2016

Major Provisions of HHS Transformation Legislation

- Reorganizes the HHS System, consolidating client services, regulatory functions, and residential facility operations at HHSC
- Focuses DSHS on public health functions and DFPS on protective services functions
- Transfers vocational rehabilitation programs from DARS to the Texas Workforce Commission
- Creates a Transition Legislative Oversight Committee (TLOC) to provide guidance to the Executive Commissioner on the HHS system reorganization
- Requires the Executive Commissioner to develop and implement a transition plan and to assess the continuing need for DFPS and DSHS as standalone agencies
- Creates a new HHS Executive Council to receive public input and advise the Executive Commissioner on agency operations

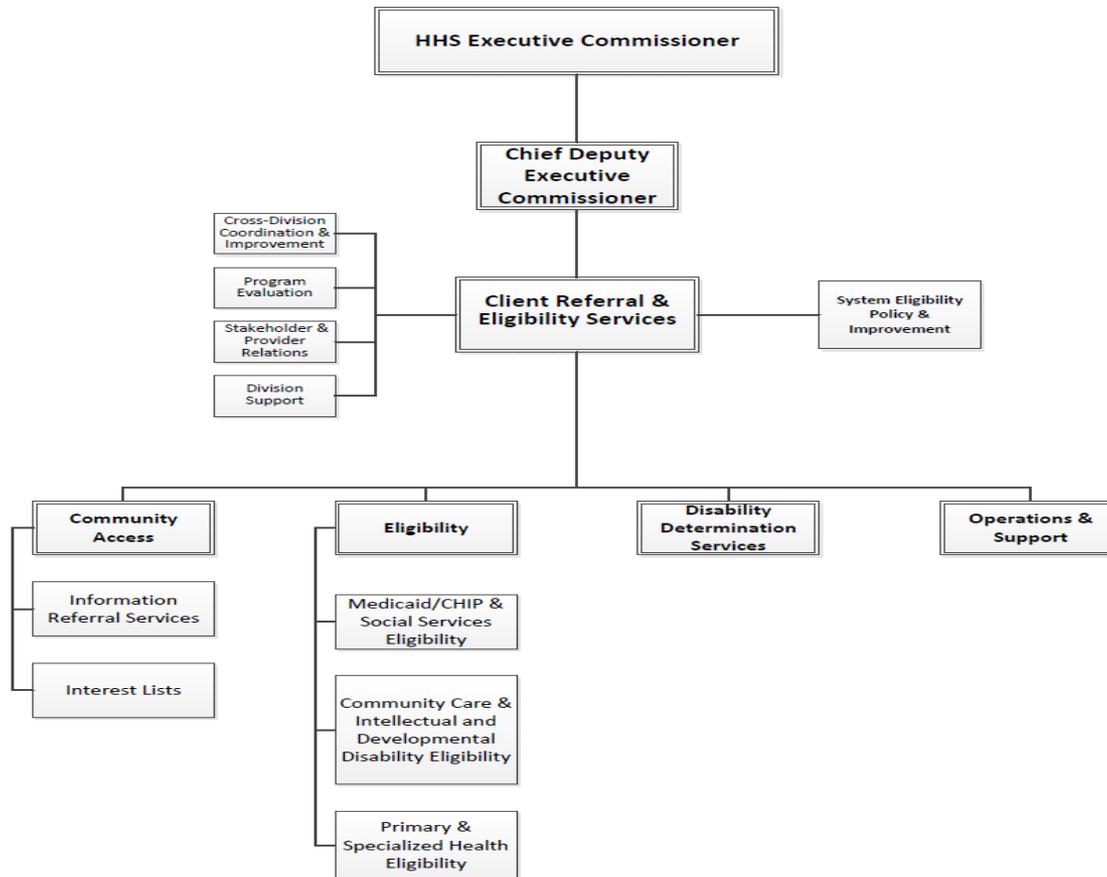
Proposed HHS System Organization



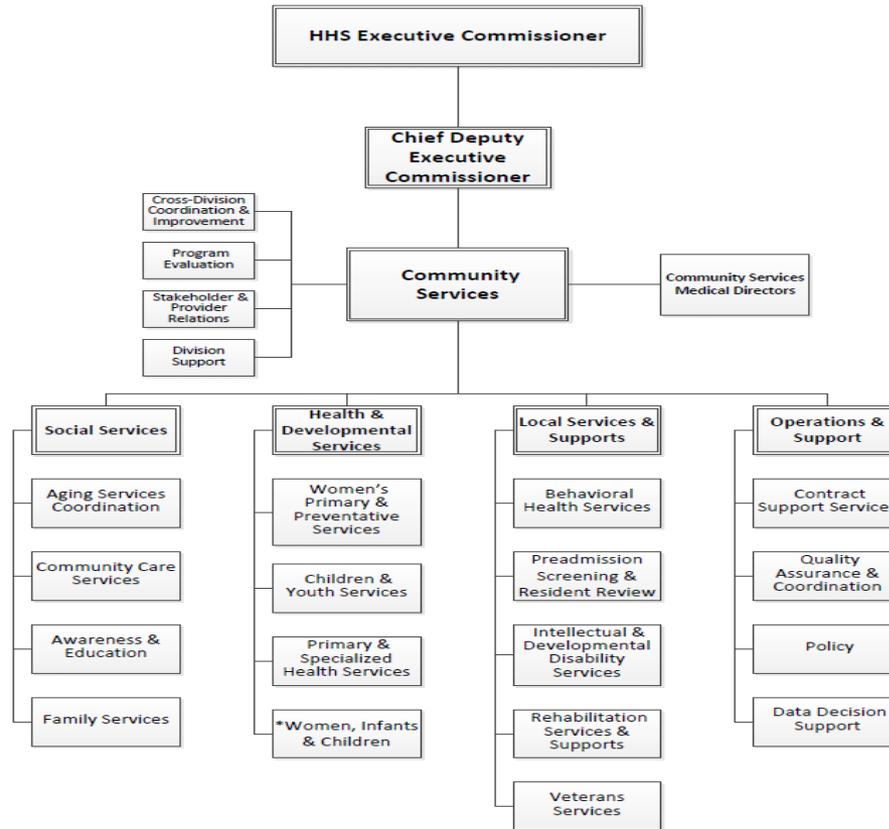
Seven Core Program Divisions

- **Reporting to the Executive Commissioner:**
 - Regulatory Services
 - DFPS Protective Services
 - DSHS Public Health Services
- **Reporting to the Chief Deputy Executive Commissioner:**
 - Client Referral & Eligibility Services
 - Community Services
 - Medicaid & CHIP Services
 - Facility Operations

Proposed Client Referral & Eligibility Services Division

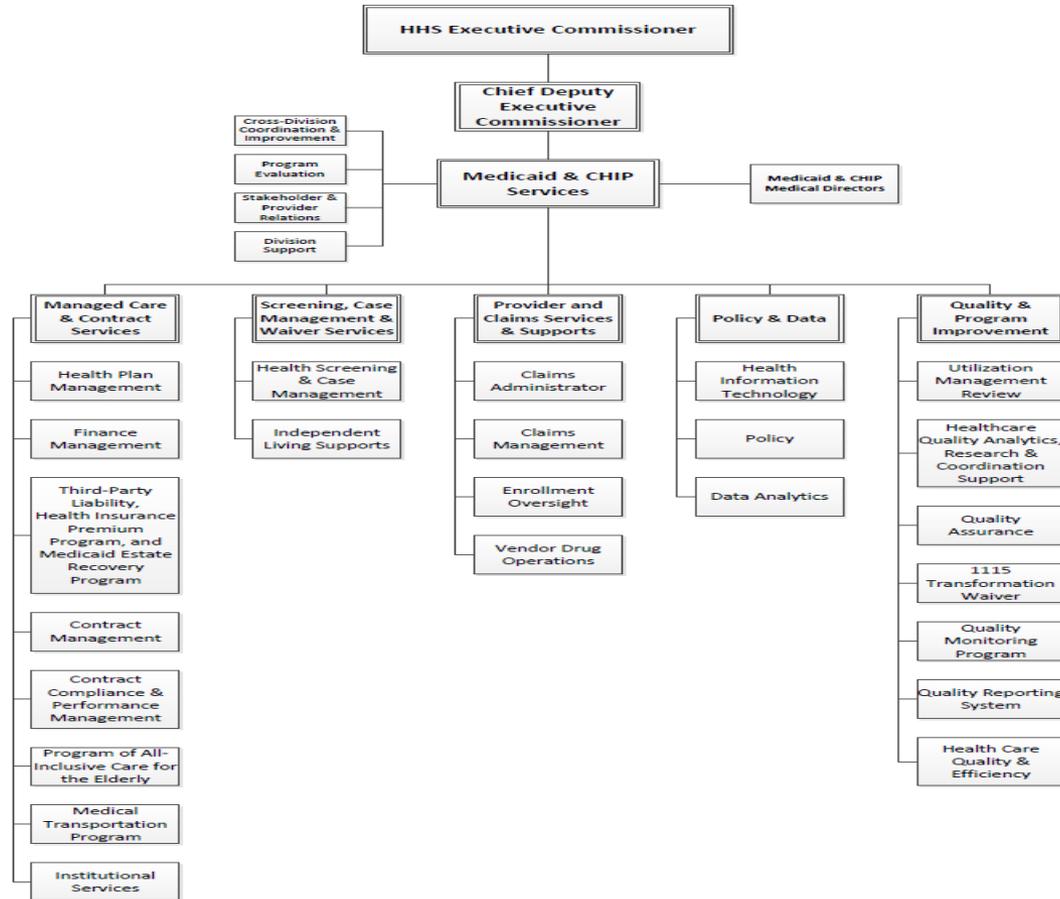


Proposed Community Services Division



* A final decision regarding transferring WIC from DSHS to HHSC has not yet been made.

Proposed Medicaid and CHIP Services Division



Administrative & Support Services

- **Reporting to the Executive Commissioner:**
 - Financial Services
 - Legal Services
 - Procurement & Contracting Services
 - Transformation, Policy & Performance
 - External Relations, Communications and Press Relations
 - System Internal Audit
- **Reporting to the Chief Deputy Executive Commissioner:**
 - Information Technology
 - System Support Services

Risks and Remediation Plans

Risks in the transformation process identified to date include:

- Cost allocation changes
 - **Remediation:** Financial Services staff at both the sending and receiving agencies are integrated into program and logistical planning activities for all program moves
- Transition of medical and social services programs to HHSC by 09/01/2016
 - **Remediation:** A two-phase implementation plan with structural changes completed by 09/01/2016 with more complete review and revision of operations over the next two years
- Information technology supports
 - **Remediation:** Information Technology staff are fully integrated into program and logistical planning activities for all program moves

Next Steps

- ✓ **Mid-April** - Receive input on the transition plan from Transition Legislative Oversight Committee
- ✓ **Early May** - Update the plan, as necessary, and obtain final approval from the Executive Commissioner. Post in the Texas Register and on the HHS Transformation website
- ✓ **07/01/2016** - Implement all women's health program changes in the new structure at HHSC
- ✓ **09/01/2016** - Complete all organizational, funding and staffing transfers for programs and administrative support functions scheduled for year one of the transition
- ✓ **09/01/2016** - Initiate the functions of the HHS Executive Council, replacing current agency advisory councils at each of the five HHS agencies
- ✓ **09/01/2016** - Begin implementing Phase II of program integration planning for programs that began operation in the new HHSC structure on 09/01/2016
- ✓ **01/01/2017** - Complete transfer of all NorthSTAR behavioral health non-Medicaid services into two new service systems and Medicaid services into managed care
- ✓ **09/01/2017** - Complete regulatory program and state-operated facility consolidation into HHSC