



**Joint Committee on Oversight
of the Health and Human Services
Eligibility System
HHSC Eligibility Update**

March 11, 2010

The Michigan Experience Transition to a New Automation System to Support Eligibility Determinations

Michigan Experience: Bridges

In August 2009, Michigan completed a statewide transition to Bridges, a modern automation system that supports eligibility determinations.

- Michigan was performing eligibility determinations that were supported by antiquated mainframe-based technology that was not sustainable for the long-term
 - Old technology didn't have the capacity to support growing caseloads
 - State fiscal constraints prevented further investment in the antiquated technology. Rolling out the new system was critical.
- Michigan utilized the code from TIERS as the foundation for Bridges
 - Bridges supports eligibility for SNAP, TANF, Medicaid and a few additional state/federal programs
 - Code modified to reflect Michigan's policies and business process
- Michigan did not change the business process with the new system
 - Face-to-face model retained
 - Workers retained case ownership
 - No call centers or document imaging
 - Added Internet-based self-service options for clients

Accomplishments

- Michigan began planning for rollouts in 2007
- Began rollout in August 2008
 - Rolled out geographically, beginning with smaller counties
- Statewide rollout was completed in August 2009
- Bridges is currently issuing approximately \$218 million in SNAP benefits to more than 1.7 million recipients each month

Challenges Experienced

- **Caseload growth was at an all-time high due to the economy**
 - Michigan has been hard hit with job losses. Unemployment rate was at 8 percent when the rollouts began and rose to 14.8 percent during the rollout.
 - Number of SNAP recipients grew from 1,302,846 to 1,636,073 – a 25.6 percent increase – between September 2008 and September 2009
- **State economic crisis**
 - During the rollout, there were six state employee furlough days due to budget constraints

Keys to Successful Roll-out

- **During rollout, Michigan froze system changes to address the basics and to fix defects**
 - State limited changes to the system while rolling out
 - Resources were focused on fixing system defects
 - State Legislature agreed to a moratorium on policy changes and new programs during rollout
- **Honest assessment of obstacles and transparency with the planning and during the rollout**
 - Obtained worker feedback throughout the process
 - All accountable for success, operated as a team
- **Monitored performance through on-site observation, worker feedback, daily conference calls, and reporting**

Experiences During the Rollout

- **As workers adjusted to the new system, productivity and timeliness temporarily declined and errors increased**
 - In approximately six months, staff returned to prior performance levels
 - Michigan's SNAP payment error rate prior to rollouts in federal fiscal year (FFY) 2008 was 5.77 percent. It rose to 6.52 percent during FFY 2009.
 - Timeliness for SNAP applications averaged 79.9 percent in FFY 2008 and averaged 76.7 percent in early 2009
 - Caseloads continued to increase during this time
 - Transition to new system was more difficult for tenured staff than for newer staff
- **There was a greater utilization of self service options than anticipated**
 - Michigan underestimated the number of applications that would be received through the online client portal
 - Based on Wisconsin's launch of an online client portal, Michigan projected 6,000 applications per month
 - Without advertising, a total of 10,000 applications were received in the first month. Michigan now averages 12,000 each month.

Lessons Learned

- **Training was initially inadequate**
 - Training must be experiential/hands-on to be effective
- **Recognized the need for change management**
 - Managers' buy-in is critical for staff to adapt to the new system
 - In many cases, more experienced workers will have a more difficult transition than new employees
 - Focus was on planning the rollout and programming, rather than the users
- **Have more hardware capacity than you think you will need**
 - Additional cases added to the system will slow performance if capacity is insufficient
- **Essential to clean up data and cases in the local offices prior to rollout**

Current Status of Texas' Eligibility System and the Transition to TIERS

New Eligibility System Goals

Texas' existing eligibility system must be modernized.

- **The state's goals as outlined in H.B. 3575 (80th Legislature) include:**
 - Increase access to services through multiple access channels:
 - Telephone
 - Fax
 - Internet/Self-service portal
 - Community-based organizations
 - Implement efficient and simplified business processes
 - Reduce fraud
 - Comply with federal law
- **Continuing to operate in two systems is not feasible**
 - Staff and resource intensive

Modernizing the eligibility system includes transitioning to TIERS and implementing a redesigned business process.

HHSC is evaluating eligibility business processes

- Identifying inefficiencies in current processes that will inform a business process redesign
- Re-examining the roles of state and vendor staff
 - Evaluation will inform the staffing analysis called for in H.B. 3859 (81st Legislature). Analysis will be completed by early summer.
 - The USDA's Food and Nutrition Service (FNS) has indicated that they see a limited role for private, for-profit entities in supporting SNAP eligibility determinations

Transition to TIERS

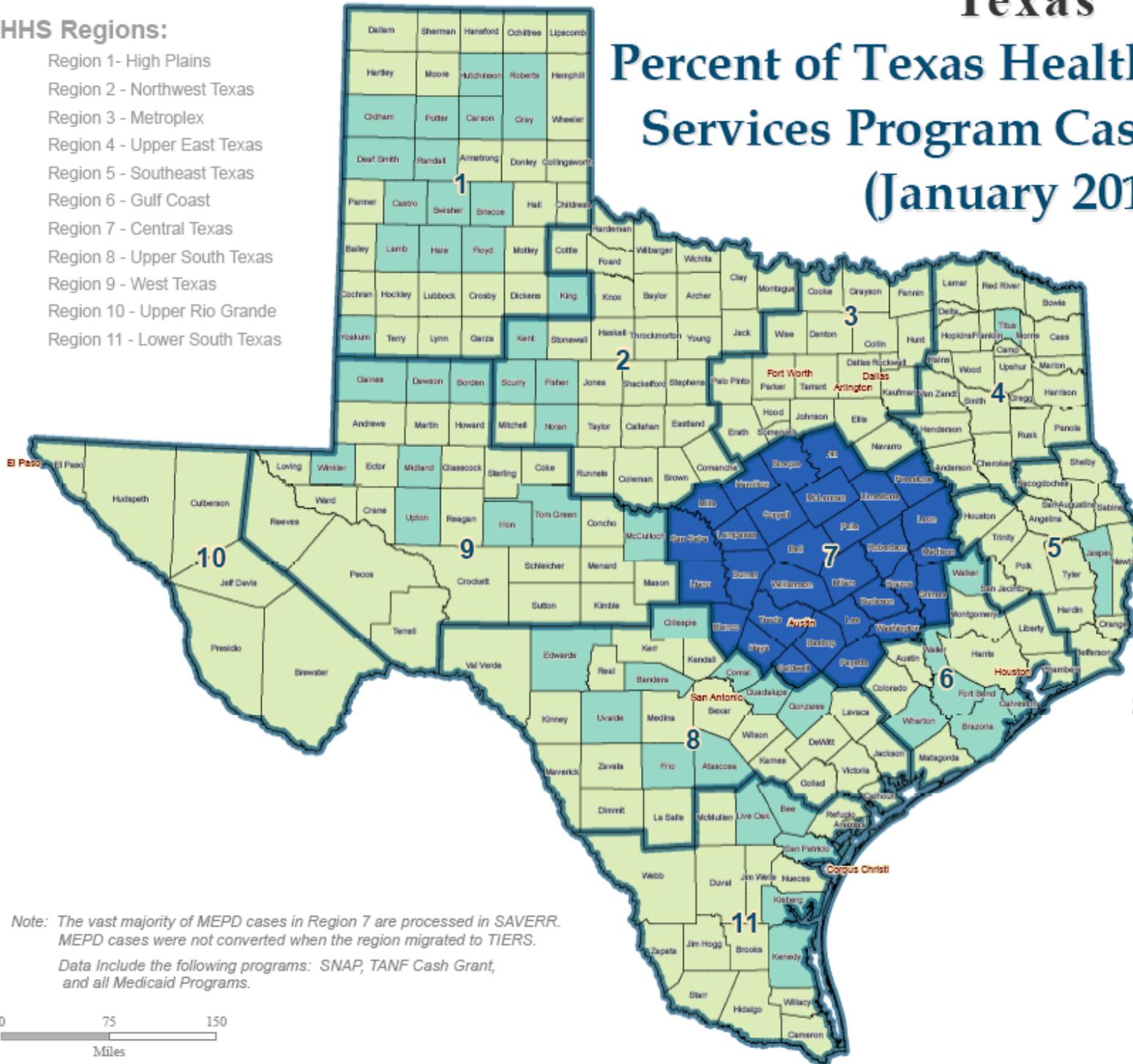
- In June 2008, HHSC received approval from its federal partner to resume conversion to TIERS up to 22 percent of the statewide SNAP caseload
 - At the time of the approval, only HHSC offices in Travis, Hays, and Williamson counties were fully transitioned to TIERS
 - HHSC developed a plan to convert the Central Texas, Lubbock, and El Paso regions
- Between October 2008 and March 2009, HHSC completed conversions of all eligibility offices in the Central Texas Region
 - Technical and office-level conversions benchmarks were established to ensure readiness for the transition
 - On-site support staff and TIERS mentors were assigned to each office
 - Performance was monitored following each office's conversion
- Currently, 21 percent of cases statewide are in TIERS and 79 percent remain in SAVERR
 - 66 percent of the cases in TIERS are outside the Central Texas Region

Texas

Percent of Texas Health and Human Services Program Cases in TIERS (January 2010)

HHS Regions:

- Region 1 - High Plains
- Region 2 - Northwest Texas
- Region 3 - Metroplex
- Region 4 - Upper East Texas
- Region 5 - Southeast Texas
- Region 6 - Gulf Coast
- Region 7 - Central Texas
- Region 8 - Upper South Texas
- Region 9 - West Texas
- Region 10 - Upper Rio Grande
- Region 11 - Lower South Texas



Specific milestones will be assessed before additional geographic rollouts resume.

- **System Capacity**

- Proceeding with rollouts without sufficient server capacity would impair TIERS performance statewide
 - Caseloads have increased at a higher rate than was originally estimated
 - Existing servers are supporting current caseloads, but the addition of cases from another region will slow performance
 - Eight additional servers will be required to support statewide rollout
 - New Winters Data Center will house the capacity needed for statewide rollout and will be operational in late September 2010
 - Server capacity is being added in phases. Two new servers are on target to be available by the end of April 2010, with six more to be added by the fall.

- **System Maintenance Service Requests**

- Failing to address service requests can result in case processing delays and worker frustration
 - Resolution of maintenance service requests is an ongoing process, but these requests have taken a secondary role to other functionality changes
 - Given limited resources such as staff and programming hours, HHSC must prioritize programming changes and limit or delay some changes in order to address the service requests

- **TIERS Training**

- Feedback from staff in the Central Texas Region following last year's rollouts indicated the need for better TIERS training
 - Processes used in SAVERR were not linked to the new processes in TIERS, making it more difficult for staff to transition
 - Trainers had understanding of the training curriculum, but some did not possess a working knowledge of TIERS
- HHSC has revamped the TIERS training to be more experiential and hands-on
 - The new training is underway in the Lubbock Region and is receiving positive reviews
 - New training is being developed for clerks and supervisors
 - Supervisor training will focus on increasing understanding of management reporting tools within TIERS
- Increased train-the-trainers model to ensure that trainers are well-versed in using TIERS
- Vendor involvement has increased to ensure TIERS programmers have a better understanding of the policies behind the programming

- **Problem Escalation Process**

- Early identification and honest evaluation of problems, and improved coordination is critical to a successful statewide conversion
 - Organizational silos have created barriers to resolving problems quickly. For example, HHSC divisions were given a set number of programming hours within each TIERS build, rather than all coming together to create one plan that addressed priority issues.
 - Problems have not always been clearly identified and escalated in a timely manner. For example, calls to the Help Desk have generated a large number of tickets on certain issues, but there was no analysis done to identify the contributing core issue.
- HHSC hired Stanley Stewart so that a single individual has the authority and responsibility to cross into all areas of the agency to coordinate the transition to TIERS
 - Responsibility includes coordination of field and vendor operations, policy, technology, training, and facilities staff that are associated with rollouts
- A business process review will clarify roles and improve utilization of the vendors
 - Assessment will be completed in early April
- TIERS programmers are conducting on-site visits with staff that are using TIERS to better understand the business needs

- **FNS is monitoring the state's performance**
 - FNS identified the ongoing use of two automation systems as a major contributing factor to the state's challenge in meeting federal performance standards
 - FNS has encouraged Texas to proceed with the transition to TIERS
 - Timeliness in TIERS is better than in SAVERR
- **Under FNS's approval granted in June 2008, HHSC is currently planning for the conversion of cases in the Lubbock and El Paso Regions to TIERS. These rollouts will involve:**
 - 97,694 cases in 41 counties in the Lubbock Region
 - 162,872 cases in 6 counties in the El Paso Region
- **Additional federal approvals will be required before rolling out to the remaining eight regions**

Rollouts in the Lubbock Region will begin once certain conditions are met. This may be as early as May 2010, but no later than September 2010.

- **System Readiness**

- TIERS capacity is sufficient to support the addition of cases
 - Currently, the TIERS technical infrastructure is operating at an average of 70 percent of capacity. Performance suffers when the system is above 85 percent of capacity.
 - With the addition of 97,694 cases in the Lubbock Region, two additional servers are needed. These servers will be installed by the end of April and will reduce the average utilization to 60 percent.
- Major maintenance service requests have been resolved
 - Current efforts are focused on identifying and correcting the service requests that produce the most help desk calls from workers
 - Before any rollout, pending major maintenance service requests will total 100 or less

- **Office and Staff Readiness**

- Offices have adequate equipment to support their use of TIERS
 - All computers are updated and each user has two monitors to support the efficient processing of cases in TIERS
- Offices are current with processing and cases are accurate
 - The office must be current with processing applications, with lead time of less than 20 days
 - “Dry runs” of the conversion must result in a case match rate greater than 80 percent
 - Case match occurs when the benefit calculation in SAVERR matches the calculation in TIERS
 - Cases that are not successfully matched must be reviewed and corrected until the 80 percent standard is achieved
- All staff in the office are trained in TIERS
 - Training with the new curriculum is already underway in the Lubbock Region and is on target to be completed before rollout
 - Training has received positive feedback from staff
- All managers have received reports training
 - Managers report training is currently being developed and trainings will be completed prior to rollout
 - TIERS management reporting tools are developed and are being improved. Reports will be revalidated at each rollout.

Following each rollout, performance will be monitored through the following:

- Daily conference calls with local staff, management, and programmers for the first month after rollout
- Senior management will be on-site to manage the rollout
- Technical performance monitored on a daily basis
- Comparison of total benefits issued before and after conversion
- Lead time and timeliness at each office
 - Newly converted offices will have experienced TIERS workers (Assistance Response Team-ART staff) available to assist with cases as needed
- Worker feedback and evaluation of the transition
- Evaluation of client complaints

Current Issues in Eligibility

Nationally, states are experiencing increases in the number of households applying for SNAP food benefits and performance has been impacted.

- **The rate of first-time applications for SNAP increased by 14.5 percent between federal fiscal years 2006 and 2008***
 - In Texas, the rate increased by 55.2 percent – the greatest increase of all the states
 - Florida – 35.9 percent
 - California – 19.3 percent
 - New York – 8.9 percent
 - Texas will issue a total of \$405 million in benefits to more than 3.3 million recipients in March 2010, compared to \$221.4 million issued to 2.3 million recipients in March 2008.
- **In federal fiscal year 2009, the 95 percent federal standard for application timeliness was met by 11 states and the national average was 84.2 percent**
 - A total of 21 states had timeliness rates lower than 85 percent
 - The average timeliness for Texas was 68.6 percent, followed by Rhode Island at 63.6 percent
 - Florida – 82.8 percent
 - California – 77.6 percent
 - New York – 89.3 percent

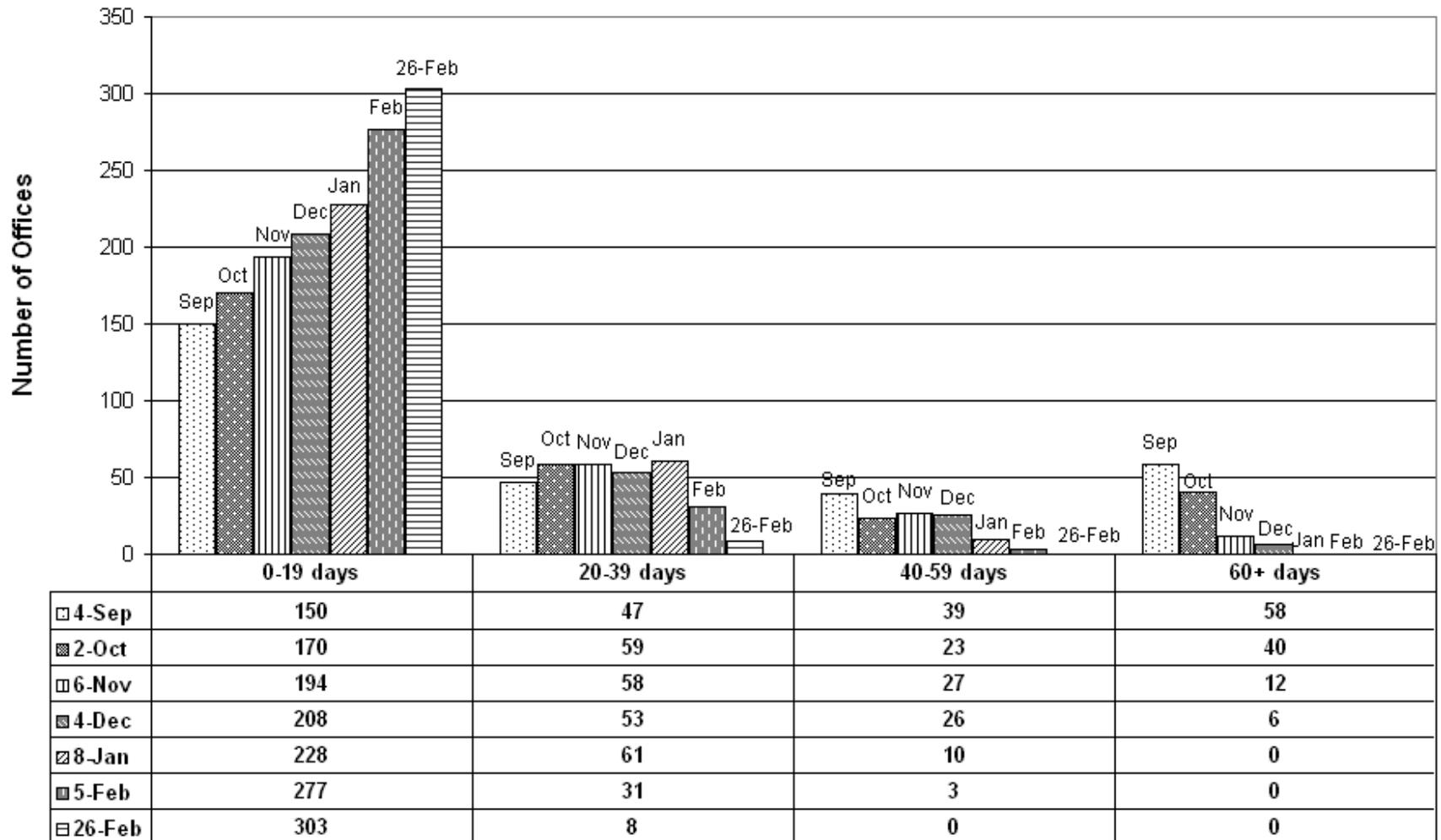
- **HHSC has dealt with multiple challenges over the last several years that have compounded to create the current crisis**
 - Hurricanes have placed stress on the eligibility system and diverted resources away from core functions
 - Caseload growth resulting from the economic downturn created large caseload backlogs and long delays for clients in some areas of the state
 - Reporting limitations in SAVERR make it difficult to pinpoint the root causes of delays
 - Staffing levels have improved but high turnover rates and the loss of tenured staff makes it difficult to sustain performance as caseloads have increased
 - Continuing to operate under two automation systems has contributed to low employee morale and poor customer service

To address these challenges, HHSC implemented multiple strategies that includes policy and process changes and employee morale initiatives

- **Initiatives include short-term and long-term strategies that have begun to produce improvement in several key measures**
 - **Staffing levels have increased**
 - Since September 1, HHSC has had a net gain of 812 field eligibility staff
 - LBB authorized 250 additional eligibility FTEs in October 2009
 - **Lead time has improved**
 - Lead time is a measurement used as an indicator of timeliness at the local office level. Lead time refers to the number of days between receipt of an application and the first available interview appointment.
 - The likelihood of an application being processed within 30 days is increased when lead time is at 20 days or less
 - In September 2009, 58 offices had lead time of more than 60 days
 - Currently, none of the 311 eligibility offices have lead time greater than 40 days
 - 8 offices currently have lead times between 21 and 39 days
 - In September 2009, 150 offices had ideal lead times of less than 20 days
 - Currently, 303 offices have lead times of less than 20 days

Lead Time Improvement

Eligibility Office Lead Times
September 2009-February 2010



SNAP timeliness is showing improvement

- SNAP application timeliness has increased:
 - 66.3 percent in February compared to 58.6 percent in September
- SNAP recertification timeliness has increased:
 - 78 percent in February compared to 68.9 percent in September
- Past due pending applications have decreased:
 - 40.7 percent in February compared to 63.4 percent in September

Timeliness for expedited SNAP applications is better than non-expedited applications. Applicants that meet the expedited criteria are the most needy.

- The state standard for expedited applications requires processing within one business day of receipt and the federal standard allows seven days for processing.
 - At the federal standard of seven days:
 - 88.6 percent in February, compared to 89.4 percent in September
 - At the state standard of one business day:
 - 78.8 percent in February, compared to 76.6 percent in September

Medicaid application timeliness has fluctuated since September

- 74.1 percent in February, compared to 75.4 in September
- Pending applications that are past due decreased to 35.7 percent in February from 45.7 percent in September

While processing the increasing volume of applications, HHSC has reduced the number of overdue cases by more than 60 percent.

- In October 2009, there were approximately 42,000 overdue SNAP cases in SAVERR
- In February 2010, there were approximately 16,000 overdue SNAP cases in SAVERR
 - Almost 90 percent of the overdue cases are in the Dallas/Fort Worth and Houston regions
- Even when timeliness standards are being met, some cases are processed past their due dates

HHSC had projected that the backlog could be cleared by the end of February. That target was met by some, but not all regions.

- As of February, the Tyler, Beaumont, Austin, El Paso and Edinburg regions have met the target
- Based on current demand levels
 - The Lubbock, Abilene and San Antonio regions are on pace to meet the target by the end of March
 - The Dallas/Fort Worth and Houston regions are projected to clear the remaining backlog by the end of April