

SUBJECT: Duties of the Health and Human Services Commission

COMMITTEE: Public Health — committee substitute recommended

VOTE: 7 ayes — Berlanga, Hirschi, Glaze, Janek, Maxey, McDonald, Rodriguez
0 nays
2 absent — Coleman, Delisi

SENATE VOTE: On suspension of the rules, May 5 — 28-1 (Barrientos)

WITNESSES: None

BACKGROUND: In 1991 the 72nd Legislature enacted HB 7 by Vowell, et al.) to streamline and integrate the delivery of state health and human services. It created the Health and Human Services Commission to coordinate program delivery and find ways to maximize federal dollars and save state money.

HB 7 also authorized the establishment of three "integrated eligibility" pilot programs to test one-stop eligibility determination and co-location of field offices for multiple health and human services programs. HB 7 was based on the Texas Performance Review's 1991 report *Breaking the Mold*.

DIGEST: SB 1675 would require the Health and Human Services Commission (HHSC) to review and comment on agency budgets and reports and to coordinate and approve caseload estimates. It would also provide the commissioner with additional authorities and would expand activities relating to integrated eligibility. SB 1675 would take effect September 1, 1995.

Agency budgets and reports. The Health and Human Services Commission would be required to review and comment on the strategic plans, the annual operating budgets and the transfer of funds between strategies of the health and human service agencies, and not later than January 1 of each even-numbered year begin formal discussions with each agency on their strategic plan.

The commission would be required to issue a quarterly report comparing each agency's projected expenditures with budgeted expenditures. An agency could not submit to the Legislature or to the governor its legislative appropriations request until the commission reviewed and commented on the request. An agency could not submit an information resources plan to the Department of Information Resources until the plans were approved by the commission.

The commission would also be required to develop routine, ongoing mechanisms to involve consumers in planning, delivery and evaluation of health and human services programs.

Each health and human service agency executive director would be required to report to the agency's governing body and to the commission on the agency's efforts to streamline and simplify the delivery of services. The commission would be required to report semiannually to the governor, the lieutenant governor, the speaker, the comptroller and the Legislative Budget Board (LBB) on the streamlining efforts of health and human services agencies.

Caseload estimates. The commission would be required to coordinate and approve caseload estimates made for health and human services programs by adopting uniform guidelines, assembling a single set of economic and demographic data and seeking advice from the LBB, the Governor's Budget Office and other relevant agencies.

Caseload estimates would have to be assembled into a coherent, uniform quarterly report and made available to state and local agencies and interested parties. A copy of the report would also be submitted to the LBB and the Legislature.

Commissioner powers and duties. The commissioner would be the final arbiter on interagency disputes and could request health and human services agencies to take a specific action or recommend a method to streamline and integrate service delivery.

A health and human services agency would be required to assign a staff person to perform a commission function if requested by the commission.

The commissioner would be required to annually submit to the governor, the speaker, the lieutenant governor, the comptroller and the LBB a work plan outlining the priorities and the activities of the commission for the fiscal year.

Office location. As leases on office space expire, the commission would be required to determine the needs for space and location to achieve a cost-effective one-stop method of program delivery. The General Services Commission could not lease office space for a health and human services agency without HHSC approval.

Integrated eligibility programs. The commission would be required to expand existing integrated eligibility pilot programs to include the Harris County Hospital District and the University of Texas Medical Branch at Galveston.

The Department of Human Services (DHS) would be required to establish standards for automated systems to allow other entities to file directly. The commission would be required to study the feasibility of enabling contractors or agencies other than DHS to provide or assist in eligibility studies and determinations.

Not later than September 1, 1996, the commission would be required to have substantially implemented a plan for integrated eligibility at the local and regional levels that would achieve at least a 1 percent savings in administrative costs. Not later than October 1, 1996, the commission would be required to develop a plan to consolidate administration and service delivery functions in addition to integrated eligibility determination.

The commission would also be required to examine cost-effective methods to address fraud and the eligibility error rates and, in consultation with the State Council on Competitive Government, to implement recommendations on integrated eligibility functions that could be provided more effectively through the use of competitive bidding or contracting with other public or private entities.

Not later than September 1, 1997, the commission would also be required to develop a one-stop, integrated approach to health and human service

delivery, studying the feasibility of using hospitals, schools, mental health and retardation centers, commercial malls and other locations. Health and human services agencies would be required to cooperate with the commission.

**SUPPORTERS
SAY:**

SB 1675 would give the commission needed authority to carry out its duties and to expand integrated eligibility activities. SB 1675 is based on recommendations from the 1994 Texas Performance Review report *Gaining Ground*.

Texas health and human services agencies, each governed by a separate board, continue to operate with primarily separate and uncoordinated programs and have no requirement to conform their budgets to the commission's consolidated budget.

SB 1675 would directly involve the commission in agency budget and planning processes and facilitate the communication and implementation of commission priorities. It would also provide more reliable caseload estimates, which often drive appropriation requests and program planning.

Texas Performance Review recommendations to give HHSC ultimate budget authority would give one governing body too much authority and could actually harm the delivery of health and human services by eliminating agency performance incentives and overruling agency expertise in handling particular problems and client characteristics.

SB 1675 is estimated to save from the enactment of integrated eligibility programs \$233,000 a year in general revenue from the program at UTMB Galveston and \$196,000 in local funds from the Harris County Hospital District. Although automation system requirements were not funded by the Appropriations Committee, SB 1675 would still authorize many cost-saving and streamlining measures. SB 1675 would give statutory direction to the commission should additional funds become available.

**OPPONENTS
SAY:**

SB 1675 would not adequately implement Texas Performance Review recommendations and would not give the commissioner sufficient authority to coordinate and streamline services. The commission still would have no enforcement or rulemaking authority over the agencies it is supposed to

coordinate — SB 1675 budget review and comment provisions would still leave individual agencies a choice to refuse to abide by commission recommendations.

The commission should be authorized to approve all agency budgets and plans and to move funds among agency programs, as recommended by the *Gaining Ground* report.

OTHER
OPPONENTS
SAY:

SB 1675 would not provide any funds to the commission or other health and human services agencies to implement integrated eligibility requirements. The LBB has estimated in the bill's fiscal note that to fully integrate service delivery for health and human services \$18-\$28 million in general revenue would be required to purchase or lease automation systems.

NOTES:

The committee substitute removed from the Senate-passed version requirements that the commission approve agency strategic plans and budgets prior to submission to the Legislature or to the federal government, that the commission could consolidate federal funds and that the commission could transfer funds between state agencies.