

SUBJECT: Adopting sunset recommendations for Department of Human Services

COMMITTEE: Human Services — favorable, without amendment

VOTE: 7 ayes — Uresti, Naishtat, Wohlgemuth, Christian, Miller, Olivo, Reyna

0 nays

2 absent — McCall, Villarreal

SENATE VOTE: On final passage, April 25 — 31-0, on Local and Uncontested Calendar

WITNESSES: *(On House companion bill, HB 2222:)*

For — None

Against — None

On — Ken Levine and Christian Ninaud, Sunset Advisory Commission

BACKGROUND: The Texas Department of Human Services (DHS) administers financial assistance, health care, and social services programs for families, children, and the aged and disabled. The programs include nursing-home care through the Medicaid program; state and federally funded community-based health and personal assistance services; cash assistance through the federal Temporary Assistance for Needy Families (TANF) program; food programs, such as the federal Food Stamp program; and emergency services, such as family violence services and disaster assistance.

DHS also regulates nursing homes, personal care homes, intermediate care facilities for the mentally retarded, and adult day-care centers. Community care services are services provided to low-income elderly, chronically ill, or disabled people in their homes or communities and can include attendant services, nursing care, medications, respite care, and home modifications through:

- Medicaid entitlement programs, such as the Frail Elderly program and Primary Home Care program;

- Medicaid waiver programs, Community-Based Alternatives and Community Living Assistance and Support Services, which provide community services to Medicaid recipients who are eligible for nursing facility or institutional care but who choose to remain at home or in the community and whose services are capped at appropriated budget amounts; and
- non-Medicaid-funded community care services for people not eligible for Medicaid.

For fiscal 2002-03, DHS has operated with a budget of about \$9 billion and an employment cap of 14,325 employees. It is governed by a six-member board appointed by the governor with the consent of the Senate. Members must represent all geographic areas of the state, and each member must have an interest in and knowledge of human services.

DHS is subject to the Texas Sunset Act and underwent sunset review in 1998. Recommendations from that review were contained in SB 369 by Zaffirini, which died in the House late in the 1999 legislative session. In 2001, the 77th Legislature enacted SB 309 by Harris, which continued DHS until 2011 but directed the Sunset Advisory Commission to perform a special-purpose review of DHS and report its findings to the 78th Legislature. The review was limited to the appropriateness of the commission's recommendations to the 76th Legislature. In the report, the commission was required to include any of the prior recommendations it considered appropriate.

DIGEST: SB 285 would add three requirements for DHS: creation of a service region business plan, implementation of an eligibility process plan for services for elderly or disabled people, and a survey of best practices in moving TANF clients from DHS to the Texas Workforce Commission (TWC).

DHS would have to develop a business plan for each service region by September 1, 2004. The plan would have to include service goals, outcome measures, and annual reporting. DHS would have to seek public input in developing the plan. The outcome measures in each plan would become part of the DHS annual report after December 31, 2003.

SB 285 would direct DHS to develop and implement a plan by September 1, 2004, to help elderly or disabled people to obtain services easily and quickly.

The plan would have to require DHS to forecast available slots opening up in programs, either through program expansion or attrition, and to contact people on the waiting list for the service, but to ensure that people on the waiting list did not receive services until the slot actually became available.

DHS and TWC would have to conduct a survey of best practices used to transfer clients between the two agencies. The agencies would have to collect the information and formulate recommendations and policies to ensure implementation of the best practices, including amending their memorandum of understanding, if necessary, by December 1, 2004.

The bill would add standard sunset provisions relating to board membership, conflict of interest, grounds for removal from the board, permitting, equal opportunity employment, complaint resolution, technological solutions, and alternative rule making and dispute resolution.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

DHS largely has resolved the sunset review issues from 1999. However, the Sunset Advisory Commission identified three lingering recommendations that still were needed to improve the department's operations. SB 285 would adopt those recommendations.

A business plan for each service region would be valuable for holding the regions accountable for the responsibilities the department delegates to them. While the regions must submit their own business plans to DHS, those plans often do not include some of the statewide goals, making it difficult for the department to assess progress in those areas. Qualitative outcome measures would improve accountability for all state goals.

DHS has shortened the amount of time it takes to determine eligibility for services, but the agency still does not determine eligibility for people on the waiting list until a slot opens up. This results in a lag time of more than 30 days once a slot opens. It would be more efficient to make the determination of eligibility when the department projects that a slot will open up, so that eligible clients could receive services the day the slot became available. Some of the waiting lists are quite long, and a client's circumstances and eligibility can change over an extended period.

DHS and TWC work closely together to help clients obtain and hold down jobs. However, at the “handoff” point between the two agencies, clients may receive inaccurate information about programs at the other agency. This can cause confusion or gaps in services. The agencies have signed a memorandum of understanding, but both should have to take a look at how the other works and develop best practices that both could use. This would make the information more consistent for clients across both agencies.

One sunset recommendation that SB 285 would exclude is the assessment of at-risk or time-limited TANF families. While this would be a good additional service, it would require funding that the department does not have. The state must focus its resources on current services, not expand them at this time.

**OPPONENTS
SAY:**

The bill would not contain one of the Sunset Advisory Commission’s recommendations that is vital to Texas’ poorest families. The federal lifetime limits on TANF benefits can cause some families to fall through the safety net. Families that are at risk of exhausting the time limit should be referred to preventative or supportive services that may be able to help. Under current law, these families fall off after their time limits are exhausted, and they do not know where to turn for help. Community programs may be able to help them, and DHS should be required to assist in the referral.

The bill also should require DHS to assess the service needs of at-risk welfare families and to divert those families into support services. This would help give those families a better chance to overcome problems that get in the way of successful employment and self-sufficiency. Such problems can include drug and alcohol abuse, domestic violence, mental health care, and juvenile crime. Families with the most complex, chronic problems have the most trouble in meeting work requirements.

**OTHER
OPPONENTS
SAY:**

SB 285 is not needed at this time. If HB 2292 by Wohlgemuth, the comprehensive reorganization of health and human services, becomes law, the delivery of human services would be radically different. It would be difficult for DHS to implement these changes while participating in the health and human services reorganization that HB 2292 would require.

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NOTES: SB 285 is identical to HB 2222 by Chisum, which was reported favorably, as substituted, by the House Human Services Committee on May 2.