

Overview of the Consolidation Process Texas Health and Human Services System

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Agenda

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- ❖ **Overview of HHS Consolidation and Reorganization**
 - **Consolidation History**
 - **Why Consolidate?**
 - **Consolidation Overview**
 - **Transition Plan**
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 - **Timeline for Consolidation**
 - **Ongoing Oversight**
- ❖ **Questions?**

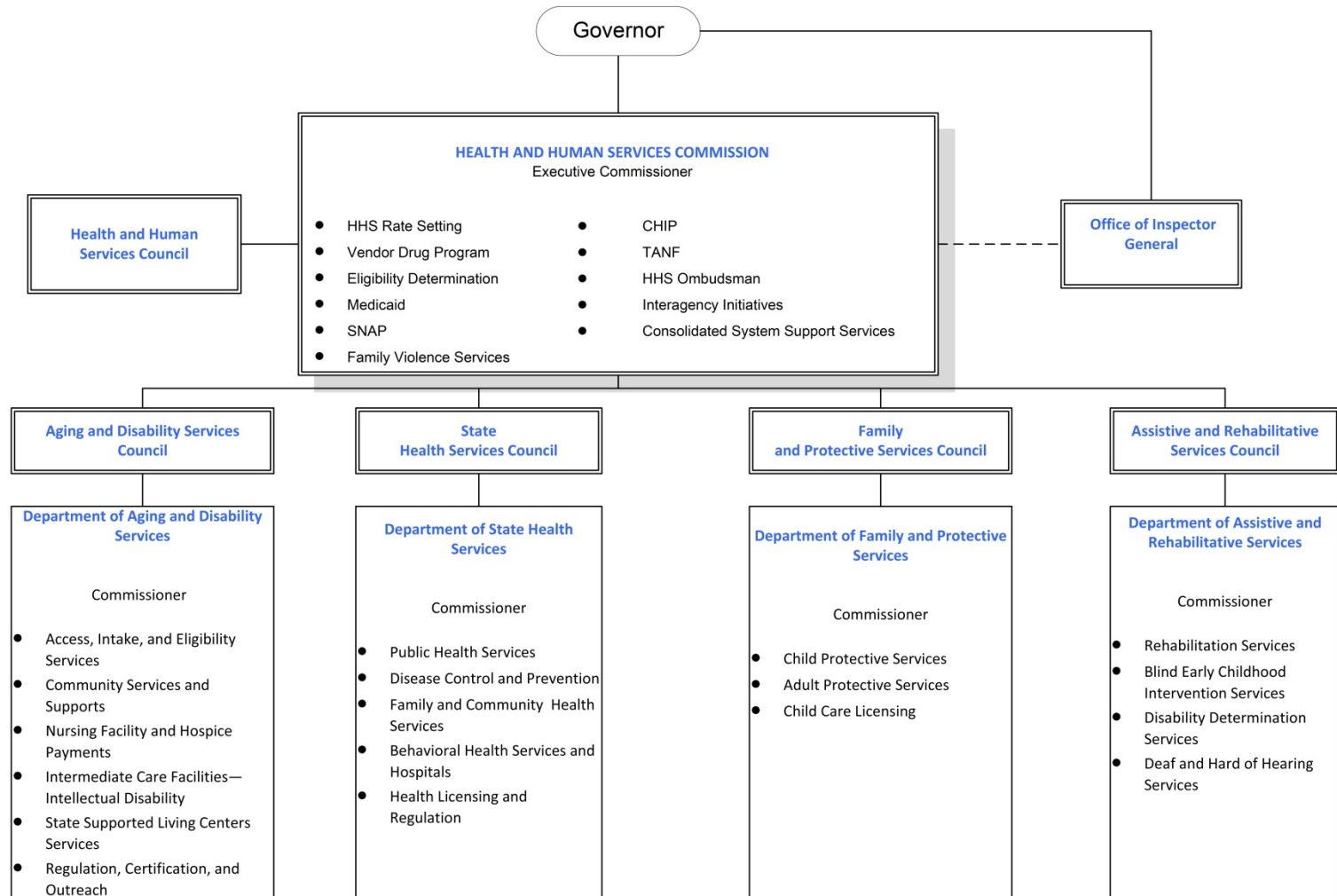
Health and Human Services in Texas

- ❖ Overall, Texas' HHS system employs more than 54,000 people and operates on a budget of \$40 billion per year.
- ❖ Texas' HHS consolidation was the result of Sunset reviews of the HHS system.
 - ❖ In Texas, each agency has a “sunset” date in law on which the agency automatically expires. The Sunset Commission reviews and makes recommendations to the Legislature on whether to continue and how to improve agencies just before the agency expires.
 - ❖ Sunset reviews are comprehensive agency evaluations that typically take place every 12 years.

Health and Human Services Consolidation

- ❖ **Legislation to reorganize and consolidate five HHS agencies to three passed in May 2015.**
- ❖ **Texas had five HHS agencies:**
 - **Health and Human Services Commission (HHSC)**
 - **Department of State Health Services (DSHS)**
 - **Department of Aging and Disability Services (DADS)**
 - **Department of Assistive and Rehabilitative Services (DARS)**
 - **Department of Family and Protective Services (DFPS)**
- ❖ **After consolidation is completed on 9/1/17, Texas will have three reorganized HHS agencies:**
 - **Health and Human Services Commission (HHSC)**
 - **Department of State Health Services (DSHS)**
 - **Department of Family and Protective Services (DFPS)**

Pre-Consolidation HHS Structure



History: 2003 HHS Consolidation

- ❖ Texas consolidated 12 HHS agencies to five
- ❖ Established a clear *system* of agencies, headed by an executive commissioner
- ❖ Required consolidation of administrative services (IT, budget, legal, etc.) across all five agencies
 - Administrative consolidation was a key tenet of this consolidation and never fully accomplished
- ❖ Consolidation in 2003 was primarily driven by a large state budget shortfall

History: Lessons Learned from 2003

- ❖ One-year timeframe was too short for a move this size
- ❖ After “moving the boxes” so quickly, HHS staff ran out of steam and never finished the job of integrating the services for clients
- ❖ Need for continuous legislative oversight
- ❖ Focus must be on the clients. Criticism that consolidation purely for budget savings reduced services to clients (consolidation bill also included drastic cuts to services to shore up the budget)

HHS Consolidation 2015

Why?

- ❖ Blurred accountability
 - Five agencies, not one system
 - Agencies act in silos or play tug-of-war
- ❖ Fragmented programs and functions
 - Incomplete administrative consolidation
 - Missed opportunities for budget savings and data-sharing
 - Poorly integrated or overlapping client services (e.g., Medicaid in three agencies, behavioral health services in all five)
 - Results in duplicative or unnecessary services
 - Integrated care improves outcomes and saves money
 - Difficult for clients to navigate complex system

HHS Consolidation 2015

Why?

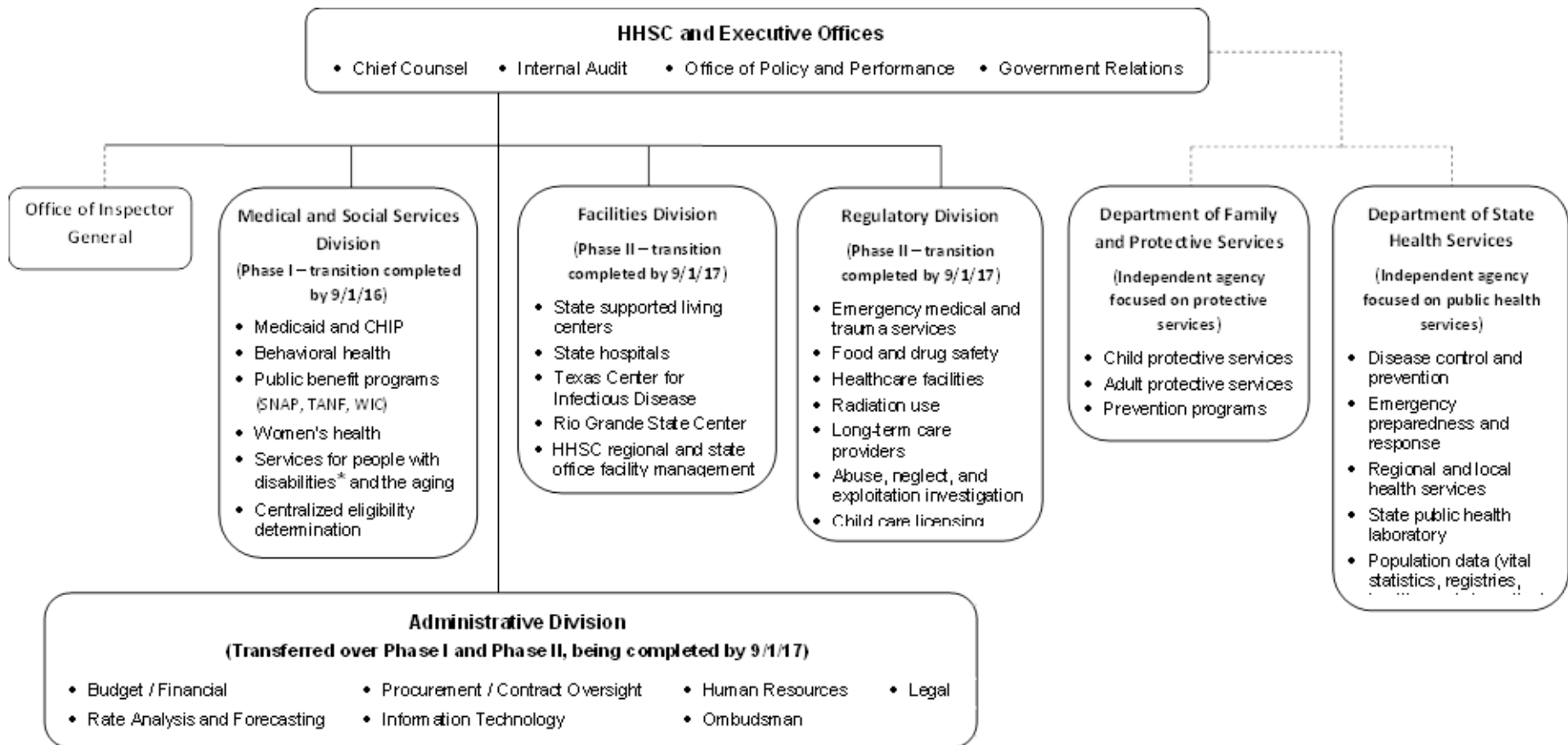
- ❖ Specific problems with the current structure
 - Scattered regulatory services, poor focus on institutions
 - Similar issues of aging infrastructure and workforce shortages
 - Overly broad focus of Dept. State Health Services
 - Jack of all trades, master of none; no focus on core mission
 - Questionable future for Dept. Aging & Disability Services
 - Transition to Medicaid managed care leaves little at this agency
 - Small, singular focus of Dept. of Assistive & Rehabilitative Services
 - Why is this its own agency?
 - Competing priorities for Health & Human Services Commission to oversee the system while running Medicaid

Overview of HHS Consolidation

Aims to improve services to clients and make the state's already big and complex system work better through a measured approach to consolidation that promotes accountability, reduces fragmentation, and streamlines operations across the system.

- ❖ Consolidates the functions of DARS and DADS at HHSC in a phased, two-year approach to be completed by 2017. Maintains DSHS and DFPS as separate agencies but transfers certain functions from each to keep them focused on their primary public health and protective services missions.
- ❖ Transfers vocational rehabilitation programs to the Workforce Commission in 2016 to better align those programs with the workforce system and improve employment outcomes for people with disabilities.

Example of Consolidated Organizational Structure



Timeline of HHS Consolidation

March 1, 2016: Transition plan due from the executive commissioner to the Transition Legislative Oversight Committee.

September 1, 2016 (Phase I):

- ❖ Consolidation of client services (Medicaid, behavioral health, women's health, aging services, disability services, etc.)
- ❖ Vocational rehabilitation services transfer to Workforce Commission
- ❖ Consolidation of prevention programs at Dept. of Family and Protective Services
- ❖ Partial consolidation of system administrative services

September 1, 2017 (Phase II):

- ❖ Consolidation of institutions (IDD and behavioral health) and regulatory functions
- ❖ Consolidation of remaining administrative functions feasible and desirable to be consolidated

Administrative Consolidation

- ❖ The hardest consolidation to accomplish.
- ❖ Administrative services are the most difficult for independent agencies to give up because they feel that control over their own IT or purchasing needs, for example, are fundamental to success of each program.
- ❖ These consolidations should occur on a different schedule than bigger functional consolidations to avoid administrative services transitioning at the same time. Stable administrative services can help prevent interruptions in client services during functional consolidations.
- ❖ Consolidation may not be desirable for all administrative functions (government relations, general counsel, chief financial officer).
- ❖ Biggest potential for savings.

Transition Plan

- ❖ Prepared by the HHSC executive commissioner
- ❖ Contents:
 - An outline of the proposed HHS structure
 - Timelines for transfers of functions
 - Define specific programs included in each category of functional realignment (client services, regulatory, public health, etc)
 - Evaluation and determination of the feasibility of administrative consolidation
- ❖ Requirements for public hearings throughout the state while developing the plan
- ❖ Plan due to the Transition Legislative Oversight Committee by March 1 (five months after the bill's effective date)

Ongoing Oversight: Transition Legislative Oversight Committee (TLOC)

- ❖ **Charge.** To oversee the consolidation of health and human services in Texas. TLOC makes recommendations on the transition and consolidation of services and provides an avenue for stakeholder and public input on the consolidation.
 - ❖ **Composition.** Joint committee with 11 voting members, co-chaired by a Senate and House member
 - 4 members of the Senate, appointed by the lieutenant governor
 - 4 members of the House, appointed by the speaker
 - 3 members of the public, appointed by the governor
- The executive commissioner of HHSC serves as an ex officio nonvoting member.

Ongoing Oversight: Transition Legislative Oversight Committee (TLOC)

❖ **Meetings.** The committee must meet:

- at least quarterly from the time of its creation to September 1, 2017;
- at least semi-annually from 2017 to 2019; and
- at least annually until its abolishment in 2023.

(Note: In 2023, the agencies have a special sunset review.)

❖ **Reporting.** TLOC must report to the governor, lieutenant governor, speaker, and Legislature by December 1 of each even-numbered year on progress and other issues related to the reorganization.

Ongoing Oversight: Transition Legislative Oversight Committee (TLOC)

Transition Plan Review

- ❖ TLOC is required to comment on and make recommendations to the executive commissioner on the plan.
- ❖ The executive commissioner must consider the comments and publish the transition plan with any changes recommended by TLOC.
- ❖ If the executive commissioner does not incorporate recommended changes, the commissioner must include justification for why not.

Ongoing Oversight: Special Reviews

Consolidation legislation was effective 9/1/15

Beyond TLOC oversight, several special reviews are planned to provide ongoing oversight until next sunset review.

- ❖ **Fall 2016:** Sunset Compliance – Sunset staff reports agency implementation progress to the Sunset Commission.
- ❖ **December 1, 2018:** Recommendations from Transition Legislative Oversight Committee to the Legislature whether DFPS and DSHS should continue independently or be merged into HHSC
- ❖ **September 1, 2023:** Special-purpose Sunset review of HHSC to evaluate progress of the reorganization, but HHSC is not subject to abolishment. Standard Sunset review for DFPS and DSHS, subject to abolishment.
- ❖ **September 1, 2027:** Consolidated HHSC full Sunset review, subject to abolishment.

Questions?

Contact Sunset

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