

By: Naishtat

H.B. No. 1338

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an analysis by the state auditor of the  
3 cost-effectiveness of the use of call centers for determining  
4 eligibility for health and human services programs.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. (a) The state auditor shall conduct an audit to  
7 review the determination by the Health and Human Services  
8 Commission that the use of one or more call centers for determining  
9 eligibility for health and human services programs under Section  
10 531.063, Government Code, as added by Chapter 198, Acts of the 78th  
11 Legislature, Regular Session, 2003, is cost-effective.

12 (b) In conducting an audit under this section, the state  
13 auditor shall review available information that the state auditor  
14 considers relevant, including any:

15 (1) request for bids, proposals, offers, or other  
16 applicable expressions of interest issued by the Health and Human  
17 Services Commission that relate to the establishment or operation  
18 of a call center;

19 (2) contract proposed or entered into by the  
20 commission for the establishment or operation of a call center;

21 (3) record of relevant hearings conducted by the  
22 commission; and

23 (4) business case analysis or other cost-benefit  
24 analysis report produced by the commission that relates to the

1 establishment or operation of a call center.

2 (c) In reviewing the cost-effectiveness of the use of call  
3 centers for the purposes of an audit under this section, the state  
4 auditor shall consider:

5 (1) the number of full-time employees of the Health  
6 and Human Services Commission needed before the establishment of a  
7 call center, if one has been established, to ensure accurate,  
8 timely, and consistent determinations of a person's eligibility for  
9 health and human services programs in a manner consistent with  
10 state and federal standards;

11 (2) the number of full-time employees needed under a  
12 proposed or existing contract for the establishment or operation of  
13 a call center to meet or exceed applicable state and federal  
14 standards and the performance standards of the commission's  
15 eligibility determination system that existed before the  
16 establishment of a call center, if one has been established;

17 (3) initial costs associated with the establishment of  
18 a call center, including installation and transition costs;

19 (4) administrative costs associated with monitoring  
20 and enforcing a proposed or existing contract for the operation of a  
21 call center;

22 (5) the service delivery terms of any proposed or  
23 existing contract for the establishment or operation of a call  
24 center;

25 (6) the quality and reliability of goods or services  
26 provided by each vendor identified under a proposed or existing  
27 contract for the establishment or operation of a call center;

1           (7) the extent to which the goods or services  
2 identified under a proposed or existing contract for the  
3 establishment or operation of a call center meet the commission's  
4 needs;

5           (8) any indicators of the actual or probable  
6 performance of each vendor identified under a proposed or existing  
7 contract for the establishment or operation of a call center,  
8 including:

9                   (A) the vendor's record of past performance in  
10 this state and other states;

11                   (B) the vendor's financial resources and  
12 evidence of ability to fulfill the terms of the contract;

13                   (C) the vendor's experience and demonstrated  
14 ability to handle responsibility; and

15                   (D) the vendor's ability to provide reliable  
16 maintenance agreements;

17           (9) the impact of any proposed or existing contract  
18 for the establishment or operation of a call center on the  
19 commission's ability to comply with laws and rules relating to  
20 historically underutilized businesses or the procurement of goods  
21 and services from persons with disabilities;

22           (10) the total long-term cost to the commission of  
23 acquiring goods or services from a vendor identified under a  
24 proposed or existing contract for the establishment or operation of  
25 a call center, including the potential cost of locating and  
26 contracting with a substitute vendor to provide the goods or  
27 services if the initial contracted vendor fails to fulfill its

1 obligations under the contract;

2 (11) any short-term or long-term costs to local  
3 governments associated with the goods or services provided by a  
4 vendor identified under a proposed or existing contract for the  
5 operation of a call center;

6 (12) the cost of any employee training associated with  
7 the establishment of a call center;

8 (13) the effect of a proposed or existing contract for  
9 the establishment or operation of a call center on the productivity  
10 of the commission;

11 (14) the amount obligated by the commission under a  
12 proposed or existing contract for the establishment or operation of  
13 a call center; and

14 (15) any other factor relevant to determining the  
15 cost-effectiveness of call centers or the best value for the  
16 commission with respect to a contract for the establishment or  
17 operation of a call center.

18 (d) The Health and Human Services Commission shall  
19 cooperate with the state auditor by producing reports, records, and  
20 other information as requested by the state auditor during an audit  
21 conducted under this section.

22 (e) The state auditor shall produce a report on the results  
23 of the audit conducted under this section. The report must be  
24 prepared and maintained in accordance with Section 321.014,  
25 Government Code, and must include the state auditor's  
26 recommendations for the Health and Human Services Commission to  
27 improve the cost-effectiveness of any call centers established

1 under Section 531.063, Government Code, as added by Chapter 198,  
2 Acts of the 78th Legislature, Regular Session, 2003. Not later than  
3 December 1, 2005, the state auditor shall submit the report to the  
4 governor, the legislature, and the executive commissioner of the  
5 Health and Human Services Commission.

6 SECTION 2. Notwithstanding Section 531.063, Government  
7 Code, as added by Chapter 198, Acts of the 78th Legislature, Regular  
8 Session, 2003, the Health and Human Services Commission may not  
9 enter into or renew a contract for the operation of a call center  
10 required by that section unless the commission first reviews a  
11 report produced by the state auditor under Section 1 of this Act and  
12 complies with any recommendations of the state auditor with respect  
13 to improving the cost-effectiveness of call centers.

14 SECTION 3. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2005.