

SENATE AMENDMENTS

2nd Printing

By: Rose, Davis of Harris, Herrero, Hughes,
Parker

H.B. No. 3575

A BILL TO BE ENTITLED

AN ACT

relating to the monitoring and enhancement of health and human services information technology systems.

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

SECTION 1. Chapter 531, Government Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. MONITORING AND ENHANCEMENT OF HEALTH AND HUMAN SERVICES INFORMATION TECHNOLOGY SYSTEMS

Sec. 531.451. DEFINITIONS. In this subchapter:

(1) "Committee" means the health and human services eligibility system legislative oversight committee.

(2) "Eligibility system" means the following information technology and data processing systems used in the delivery of health and human services benefit programs:

(A) the Texas Integrated Eligibility Redesign System (TIERS);

(B) the System of Application, Verification, Eligibility, Referral, and Reporting (SAVERR);

(C) integration processes and practices that facilitate interactions between the systems described by Paragraphs (A) and (B) and allow for the exchange of information between those systems; and

(D) delivery processes and practices that directly leverage the systems described by Paragraphs (A) and (B)

1 and interact with applicants for and recipients of health and human
2 services program benefits.

3 (3) "Enhanced eligibility system" means the
4 eligibility system as modified to meet the goals described in
5 Section 531.452 in accordance with the transition plan developed
6 under Section 531.453.

7 (4) "Quality assurance team" means the quality
8 assurance team created under Section 2054.158.

9 Sec. 531.452. GOALS FOR ENHANCED ELIGIBILITY SYSTEM. The
10 enhanced eligibility system implemented under this subchapter must
11 be designed to achieve the following goals with respect to health
12 and human services programs in this state:

13 (1) increase the quality of and client access to
14 services provided through the programs;

15 (2) implement more efficient business processes that
16 will reduce processing times for applications for program benefits
17 and reduce staff workloads;

18 (3) implement simplified application and enrollment
19 processes for the programs in a manner that is consistent with
20 program goals established by the legislature;

21 (4) enhance the integrity of and reduce fraud in the
22 programs; and

23 (5) ensure compliance with applicable federal law,
24 including rules.

25 Sec. 531.453. ELIGIBILITY SYSTEM TRANSITION PLAN. (a) The
26 commission shall develop a transition plan under which the
27 eligibility system in existence on September 1, 2007, is

1 transformed and enhanced to be more fully functional relative to
2 the needs of eligible Texas residents and to meet the goals
3 described in Section 531.452 not later than January 1, 2009. The
4 commission shall include a timetable in the transition plan for
5 meeting specific goals with respect to achieving that
6 transformation.

7 (b) The transition plan must:

8 (1) include a description of the commission's
9 responsibilities with respect to and role in making the transition
10 from the eligibility system in existence on September 1, 2007, to
11 the enhanced eligibility system;

12 (2) specify the responsibilities and roles of persons
13 with whom the commission contracted before September 1, 2007, in
14 making that transition and implementing the enhanced eligibility
15 system;

16 (3) specify the responsibilities and roles of persons
17 with whom the commission contracts after September 1, 2007, in
18 making that transition and implementing the enhanced eligibility
19 system; and

20 (4) specify the steps the commission will take to
21 achieve the goals of the enhanced eligibility system as described
22 in Section 531.452.

23 (c) The commission shall make the transition plan available
24 to the public at a public hearing conducted by the committee not
25 later than September 15, 2007.

26 Sec. 531.454. ELIGIBILITY SYSTEM REVIEW DURING TRANSITION
27 PERIOD. (a) The commission's office of inspector general shall

1 establish, in consultation with the Department of Information
2 Resources, an independent validation and verification program for
3 the eligibility system during the period of the transition plan
4 developed under Section 531.453. The program must allow for a
5 determination of:

6 (1) whether the goals set by the commission in the
7 transition plan are being met in accordance with the timetable
8 required by Section 531.453(a);

9 (2) whether the eligibility system is progressing
10 toward becoming fully functional relative to the needs of eligible
11 Texas residents;

12 (3) what actions are necessary to achieve full
13 functionality of the eligibility system;

14 (4) whether the commission is making progress toward
15 meeting the goals of the enhanced eligibility system described in
16 Section 531.452; and

17 (5) what additional actions are necessary to achieve
18 the goals of the enhanced eligibility system.

19 (b) The office of inspector general shall present the
20 proposed independent validation and verification program to the
21 committee and seek the committee's recommendations for
22 modifications to the proposed program. The office of inspector
23 general shall consider the committee's recommendations and modify
24 the proposed program as necessary.

25 (c) The commission's office of inspector general may enter
26 into a contract with a person to perform the duties required of the
27 office under Subsection (a), subject to the requirements of

1 Subsection (b).

2 (d) The quality assurance team shall establish a schedule
3 for periodic monitoring of the eligibility system during the period
4 of the transition plan developed under Section 531.453.

5 (e) The commission's office of inspector general and the
6 quality assurance team shall share information as necessary to
7 fulfill their respective duties under this section.

8 Sec. 531.455. ENHANCED ELIGIBILITY SYSTEM AS MAJOR
9 INFORMATION RESOURCES PROJECT. The commission shall identify the
10 enhanced eligibility system as a major information resources
11 project, as defined by Section 2054.003(10), in the commission's
12 biennial operating plan.

13 Sec. 531.456. HEALTH AND HUMAN SERVICES ELIGIBILITY SYSTEM
14 LEGISLATIVE OVERSIGHT COMMITTEE. (a) The health and human
15 services eligibility system legislative oversight committee is
16 created to support the commission's implementation of the enhanced
17 eligibility system in a manner that maximizes the positive effects
18 of that implementation on the delivery of health and human services
19 in this state.

20 (b) The committee is composed of seven members, as follows:

21 (1) the presiding officer of the Senate Health and
22 Human Services Committee, or its successor;

23 (2) the presiding officer of the House Human Services
24 Committee, or its successor;

25 (3) two members of the senate, appointed by the
26 lieutenant governor;

27 (4) two members of the house of representatives,

1 appointed by the speaker of the house of representatives; and

2 (5) one additional member, appointed by the governor.

3 (c) The executive commissioner serves as an ex officio
4 member of the committee.

5 (d) A member of the committee appointed under Subsection
6 (b)(3), (4), or (5) serves at the will of the appointing official.

7 (e) The lieutenant governor shall designate one committee
8 member to serve as a joint presiding officer of the committee, and
9 the speaker of the house of representatives shall designate another
10 committee member to serve as the other joint presiding officer.

11 (f) The committee meets at the call of a joint presiding
12 officer.

13 (g) A committee member may not receive compensation for
14 serving on the committee, but is entitled to reimbursement for
15 expenses incurred by the member while conducting the business of
16 the committee as provided by the General Appropriations Act.

17 Sec. 531.457. DUTIES OF COMMITTEE. The committee shall:

18 (1) conduct a public hearing at least once every four
19 months;

20 (2) review information with respect to the transition
21 plan developed under Section 531.453, and the progress made in
22 implementing that plan, including whether the eligibility system is
23 progressing toward achieving full functionality and meeting the
24 goals described in Section 531.452;

25 (3) review recommendations made by the commission,
26 including the commission's office of inspector general, and the
27 quality assurance team regarding actions necessary to make a

1 component of the eligibility system that is not fully functional
2 achieve that functionality;

3 (4) not later than December 1, 2008, make
4 recommendations to the legislature regarding any legislative
5 action necessary to support the implementation of the enhanced
6 eligibility system in a manner that maximizes the positive effects
7 of that implementation on the delivery of health and human services
8 in this state; and

9 (5) after implementation of the enhanced eligibility
10 system, monitor and regularly report to the legislature on the
11 effectiveness and efficiency of that system.

12 Sec. 531.458. EXPIRATION. This subchapter expires
13 September 1, 2011.

14 SECTION 2. Not later than September 1, 2007, the governor,
15 the lieutenant governor, and the speaker of the house of
16 representatives shall appoint the members of the health and human
17 services eligibility system legislative oversight committee as
18 required by Section 531.456, Government Code, as added by this Act.

19 SECTION 3. Not later than September 15, 2007, the health and
20 human services eligibility system legislative oversight committee
21 shall conduct the first public hearing required by Section 531.457,
22 Government Code, as added by this Act.

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Atty Gen
Secretary of the Senate

By: Rose / Nelson

H.B. No. 3575

Substitute the following for H.B. No. 3575:

By: Nelson

C.S.H.B. No. 3575

A BILL TO BE ENTITLED

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

SECTION 1. Chapter 531, Government Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. MONITORING AND ENHANCEMENT OF HEALTH AND HUMAN SERVICES INFORMATION TECHNOLOGY SYSTEMS

Sec. 531.451. DEFINITIONS. In this subchapter:

(1) "Committee" means the health and human services eligibility system legislative oversight committee.

(2) "Eligibility system" means the following information technology and data processing systems used in the delivery of health and human services benefit programs:

(A) the Texas Integrated Eligibility Redesign System (TIERS);

(B) the System of Application, Verification, Eligibility, Referral, and Reporting (SAVERR);

(C) integration processes and practices that facilitate interactions between the systems described by Paragraphs (A) and (B) and allow for the exchange of information between those systems; and

(D) delivery processes and practices that directly leverage the systems described by Paragraphs (A) and (B)

8
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1 and interact with applicants for and recipients of health and human
2 services program benefits.

3 (3) "Enhanced eligibility system" means the
4 eligibility system as modified to meet the goals described in
5 Section 531.452 in accordance with the transition plan developed
6 under Section 531.453.

7 (4) "Quality assurance team" means the quality
8 assurance team created under Section 2054.158.

9 Sec. 531.452. GOALS FOR ENHANCED ELIGIBILITY SYSTEM. The
10 enhanced eligibility system implemented under this subchapter must
11 be designed to achieve the following goals with respect to health
12 and human services programs in this state:

13 (1) increase the quality of and client access to
14 services provided through the programs;

15 (2) implement more efficient business processes that
16 will reduce processing times for applications for program benefits
17 and reduce staff workloads;

18 (3) implement simplified application and enrollment
19 processes for the programs in a manner that is consistent with
20 program goals established by the legislature;

21 (4) enhance the integrity of and reduce fraud in the
22 programs; and

23 (5) ensure compliance with applicable federal law,
24 including rules.

25 Sec. 531.453. ELIGIBILITY SYSTEM TRANSITION PLAN. (a) The
26 commission shall develop a transition plan under which the
27 eligibility system in existence on September 1, 2007, is

1 transformed and enhanced to be more fully functional relative to
2 the needs of eligible Texas residents and to meet the goals
3 described in Section 531.452 not later than January 1, 2009. The
4 commission shall include a timetable in the transition plan for
5 meeting specific goals with respect to achieving that
6 transformation.

7 (b) The transition plan must:

8 (1) include a description of the commission's
9 responsibilities with respect to and role in making the transition
10 from the eligibility system in existence on September 1, 2007, to
11 the enhanced eligibility system;

12 (2) specify the responsibilities and roles of persons
13 with whom the commission contracted before October 1, 2007, in
14 making that transition and implementing the enhanced eligibility
15 system;

16 (3) specify the responsibilities and roles of persons
17 with whom the commission contracts on or after October 1, 2007, in
18 making that transition and implementing the enhanced eligibility
19 system; and

20 (4) specify the steps the commission will take to
21 achieve the goals of the enhanced eligibility system as described
22 in Section 531.452.

23 (c) The commission shall make the transition plan available
24 to the public at a public hearing conducted by the committee not
25 later than October 15, 2007.

26 Sec. 531.454. ELIGIBILITY SYSTEM REVIEW DURING TRANSITION
27 PERIOD. (a) The state auditor's office shall establish, in

1 consultation with the Department of Information Resources, an
2 independent validation and verification program for the
3 eligibility system during the period of the transition plan
4 developed under Section 531.453. The state auditor's office shall
5 also coordinate and consult with the commission, including the
6 commission's office of inspector general, in establishing the
7 program.

8 (b) The independent validation and verification program
9 must allow for a determination of:

10 (1) whether the goals set by the commission in the
11 transition plan are being met in accordance with the timetable
12 required by Section 531.453(a);

13 (2) whether the eligibility system is progressing
14 toward becoming fully functional relative to the needs of eligible
15 Texas residents;

16 (3) what actions are necessary to achieve full
17 functionality of the eligibility system;

18 (4) whether the commission is making progress toward
19 meeting the goals of the enhanced eligibility system described in
20 Section 531.452; and

21 (5) what additional actions are necessary to achieve
22 the goals of the enhanced eligibility system.

23 (c) The state auditor's office shall present the proposed
24 independent validation and verification program to the committee
25 and seek the committee's recommendations for modifications to the
26 proposed program. The state auditor's office shall consider the
27 committee's recommendations and modify the proposed program as

1 necessary.

2 (d) The state auditor's office may:

3 (1) enter into a contract with a person to perform the
4 duties required of the office under Subsection (a), subject to the
5 requirements of Subsection (c); and

6 (2) enter into a contract with a person to implement
7 the independent validation and verification program, or may
8 implement the program using a contractor with which the commission
9 contracts as provided by Subsection (e).

10 (e) The commission may enter into a contract with a person
11 before September 1, 2007, to operate an independent validation and
12 verification program for the eligibility system.

13 (f) The quality assurance team shall establish a schedule
14 for periodic monitoring of the eligibility system during the period
15 of the transition plan developed under Section 531.453.

16 (g) The state auditor's office and the quality assurance
17 team shall share information as necessary to fulfill their
18 respective duties under this section.

19 Sec. 531.455. ENHANCED ELIGIBILITY SYSTEM AS MAJOR
20 INFORMATION RESOURCES PROJECT. The commission shall identify the
21 enhanced eligibility system as a major information resources
22 project, as defined by Section 2054.003(10), in the commission's
23 biennial operating plan.

24 Sec. 531.456. HEALTH AND HUMAN SERVICES ELIGIBILITY SYSTEM
25 LEGISLATIVE OVERSIGHT COMMITTEE. (a) The health and human
26 services eligibility system legislative oversight committee is
27 created to support the commission's implementation of the enhanced

1 eligibility system in a manner that maximizes the positive effects
2 of that implementation on the delivery of health and human services
3 in this state.

4 (b) The committee is composed of seven members, as follows:

5 (1) the presiding officer of the Senate Health and
6 Human Services Committee, or its successor;

7 (2) the presiding officer of the House Human Services
8 Committee, or its successor;

9 (3) two members of the senate, appointed by the
10 lieutenant governor;

11 (4) two members of the house of representatives,
12 appointed by the speaker of the house of representatives; and

13 (5) one additional member, appointed by the governor.

14 (c) The executive commissioner serves as an ex officio
15 member of the committee.

16 (d) A member of the committee appointed under Subsection
17 (b)(3), (4), or (5) serves at the will of the appointing official.

18 (e) The lieutenant governor shall designate one committee
19 member to serve as a joint presiding officer of the committee, and
20 the speaker of the house of representatives shall designate another
21 committee member to serve as the other joint presiding officer.

22 (f) The committee meets at the call of a joint presiding
23 officer.

24 (g) A committee member may not receive compensation for
25 servng on the committee, but is entitled to reimbursement for
26 expenses incurred by the member while conducting the business of
27 the committee as provided by the General Appropriations Act.

1 Sec. 531.457. DUTIES OF COMMITTEE. The committee shall:

2 (1) conduct a public hearing at least once every four
3 months;

4 (2) review information with respect to the transition
5 plan developed under Section 531.453, and the progress made in
6 implementing that plan, including whether the eligibility system is
7 progressing toward achieving full functionality and meeting the
8 goals described in Section 531.452;

9 (3) review recommendations made by the commission, the
10 state auditor's office, and the quality assurance team regarding
11 actions necessary to make a component of the eligibility system
12 that is not fully functional achieve that functionality;

13 (4) not later than December 1, 2008, make
14 recommendations to the legislature regarding any legislative
15 action necessary to support the implementation of the enhanced
16 eligibility system in a manner that maximizes the positive effects
17 of that implementation on the delivery of health and human services
18 in this state; and

19 (5) after implementation of the enhanced eligibility
20 system, monitor and regularly report to the legislature on the
21 effectiveness and efficiency of that system.

22 Sec. 531.458. EXPIRATION. This subchapter expires
23 September 1, 2011.

24 SECTION 2. Not later than September 1, 2007, the governor,
25 the lieutenant governor, and the speaker of the house of
26 representatives shall appoint the members of the health and human
27 services eligibility system legislative oversight committee as

1 required by Section 531.456, Government Code, as added by this Act.

2 SECTION 3. Not later than October 15, 2007, the health and
3 human services eligibility system legislative oversight committee
4 shall conduct the first public hearing required by Section 531.457,
5 Government Code, as added by this Act.

6 SECTION 4. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Leta Spaw
Secretary of the Senate

Shepleigh

FLOOR AMENDMENT NO. 1

BY: _____

1 Amend C.S.H.B. No. 3575 (senate committee report) by adding
2 the following appropriately numbered SECTIONS to the bill and
3 renumbering existing SECTIONS accordingly:

4 SECTION ____ Subchapter A, Chapter 531, Government Code, is
5 amended by adding Section 531.019 to read as follows:

6 Sec. 531.019. SERVICES PROVIDED BY CONTRACTOR TO PERSONS
7 WITH LIMITED ENGLISH PROFICIENCY. (a) Each contract with the
8 commission or a health and human services agency that requires the
9 provision of call center services or written communications related
10 to call center services must include performance standards that
11 measure the effectiveness, promptness, and accuracy of the
12 contractor's oral and written communications with persons with
13 limited English proficiency. Each person who seeks to enter into a
14 contract described by this subsection shall include in the bid or
15 other applicable expression of interest for the contract a proposal
16 for providing call center services or written communications
17 related to call center services to persons with limited English
18 proficiency.

19 (b) The proposal required under Subsection (a) must include
20 a language access plan that describes how the contractor will
21 achieve any performance standards described in the request for
22 bids, proposals, or other applicable expressions of interest. The
23 plan must also describe how the contractor will:

24 (1) identify persons who need language assistance;
25 (2) provide language assistance measures, including
26 the translation of forms into languages other than English and the
27 provision of translators and interpreters;

28 (3) inform persons with limited English proficiency of
29 the language services available to them and how to obtain them;

1 (4) develop and implement qualifications for
2 bilingual staff; and

3 (5) monitor compliance with the language access plan.

4 (c) In determining which bid or other applicable expression
5 of interest offers the best value, the commission or a health and
6 human services agency, as applicable, shall evaluate the extent to
7 which the proposal for providing call center services or written
8 communications related to call center services in languages other
9 than English will provide meaningful access to the services for
10 persons with limited English proficiency.

11 (d) In determining the extent to which a proposal will
12 provide meaningful access under Subsection (c), the agency shall
13 consider:

14 (1) the language access plan developed under
15 Subsection (b);

16 (2) the number or proportion of persons with limited
17 English proficiency in the agency's eligible service population;

18 (3) the frequency with which persons with limited
19 English proficiency seek information regarding the agency's
20 programs;

21 (4) the importance of the services provided by the
22 agency's programs; and

23 (5) the resources available to the agency.

24 (e) The agency must avoid selecting a contractor that the
25 agency reasonably believes will:

26 (1) provide information in languages other than
27 English that is limited in scope;

28 (2) unreasonably delay the provision of information in
29 languages other than English; or

30 (3) provide program information, including forms,
31 notices, and correspondence, in English only.

1 (f) This section does not apply to 2-1-1 services provided
2 by the Texas Information and Referral Network.

3 SECTION _____. (a) In this section, "commission" and "health
4 and human services agencies" have the meanings assigned by Section
5 531.001, Government Code.

6 (b) Section 531.019, Government Code, as added by this Act,
7 applies only to a contract for which the commission or a health and
8 human services agency first advertises or otherwise solicits bids,
9 proposals, offers, or qualifications, as applicable, on or after
10 September 1, 2007.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 19, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3575 by Rose (Relating to the monitoring and enhancement of health and human services information technology systems.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 531, Government Code, by adding Subchapter M which sets out goals for an enhanced eligibility system; requires the Health and Human Services Commission (HHSC) to develop an eligibility transition plan by October 15, 2007 to achieve the goals set out in the bill for the enhanced eligibility system by January 2009; directs the State Auditors Office, in consultation with the Department of Information Resources, to establish an independent validation and verification program for the eligibility system during the period of the transition plan, while coordinating and consulting with HHSC and HHSC Office of Inspector General.

The bill would require HHSC to identify the enhanced eligibility system as a major information resources project; creates a health and human services eligibility system legislative oversight committee, specifying purpose, membership, and duties with a report due on December 1, 2008; and sets the expiration of the subchapter as September 1, 2011.

The bill would direct the appointment of oversight committee members by September 1, 2007 and directs the oversight committee to hold its first hearing by October 15, 2007. The bill would take effect immediately upon two-thirds vote of both houses, or would take effect September 1, 2007.

The State Auditor estimates a cost of \$772,800 to conduct the audits required, which the agency states can be absorbed. In addition, HHSC assumes that SAO would bill HHSC for the cost of the contract, in which case it is possible that federal matching funds may be received to offset some of the cost. HHSC assumes an approximately 50 percent federal matching rate, subject to change with cost allocation program changes.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 308 State Auditor's Office, 529 Health and Human Services Commission

LBB Staff: JOB, SD, CL, MB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 15, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3575 by Rose (Relating to the monitoring and enhancement of health and human services information technology systems.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB3575, As Engrossed: a negative impact of (\$2,289,034) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$1,144,517)
2009	(\$1,144,517)
2010	(\$1,144,517)
2011	(\$1,144,517)
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable (Cost) from GR MATCH FOR MEDICAID 758	Probable (Cost) from GR MATCH FOOD STAMP ADM 8014	Probable (Cost) from FEDERAL FUNDS 555
2008	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2009	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2010	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2011	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2012	\$0	\$0	\$0	\$0

Fiscal Analysis

The bill would amend Chapter 531 of the Government Code by adding Subchapter M which sets out goals for the enhanced eligibility system; requires the Health and Human Services Commission (HHSC) to develop an eligibility transition plan; directs the HHSC Office of Inspector General (OIG) to establish an independent validation and verification program for the eligibility system; directs the quality assurance team to establish a periodic monitoring schedule for the eligibility system; requires HHSC to identify the enhanced eligibility system as a major information resource project; creates a health and human services eligibility system legislative oversight committee; and sets the expiration of the subchapter as September 1, 2011.

The bill would take effect immediately upon two-thirds vote of both houses, or would take effect

September 1, 2007.

The fiscal impact of the bill results from the estimated cost for the independent validation and verification contract that OIG may require.

Methodology

The current validation and verification contract has specific purposes and uses, and therefore the agency does not assume it can be modified to suit the purposes of the bill. HHSC assumes that OIG would require a new contract and that it would cost approximately the same as the cost of the current contract, which is approximately \$1.1 million in General Revenue and \$1.2 million in Federal Funds per year (including federal Medicaid, TANF and Food Stamp funds).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, PP, MB

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 30, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3575 by Rose (Relating to the monitoring and enhancement of health and human services information technology systems.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3575, Committee Report 1st House, Substituted: a negative impact of (\$2,289,034) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$1,144,517)
2009	(\$1,144,517)
2010	(\$1,144,517)
2011	(\$1,144,517)
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID</i> 758	Probable (Cost) from <i>GR MATCH FOOD</i> <i>STAMP ADM</i> 8014	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2008	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2009	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2010	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2011	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2012	\$0	\$0	\$0	\$0

Fiscal Analysis

The bill would amend Chapter 531 of the Government Code by adding Subchapter M which sets out goals for the enhanced eligibility system; requires the Health and Human Services Commission (HHSC) to develop an eligibility transition plan; directs the HHSC Office of Inspector General (OIG) to establish an independent validation and verification program for the eligibility system; directs the quality assurance team to establish a periodic monitoring schedule for the eligibility system; requires HHSC to identify the enhanced eligibility system as a major information resource project; creates a health and human services eligibility system legislative oversight committee; and sets the expiration of the subchapter as September 1, 2011.

The bill would take effect immediately upon two-thirds vote of both houses, or would take effect

September 1, 2007.

The fiscal impact of the bill results from the estimated cost for the independent validation and verification contract that OIG may require.

Methodology

The current validation and verification contract has specific purposes and uses, and therefore the agency does not assume it can be modified to suit the purposes of the bill. HHSC assumes that OIG would require a new contract and that it would cost approximately the same as the cost of the current contract, which is approximately \$1.1 million in General Revenue and \$1.2 million in Federal Funds per year (including federal Medicaid, TANF and Food Stamp funds).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, PP, MB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3575 by Rose (Relating to an audit of health and human services information technology systems.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 531, Government Code by adding Subchapter M, Audit of Health and Human Services Information Technology Systems. The bill would require the executive commissioner to enter into a contract with an outside contractor to conduct an audit of the Texas Integrated Eligibility Redesign System (TIERS) and the System of Application, Verification, Eligibility, Referral, and Reporting (SAVERR) information systems to determine whether each system is functional relative to the needs of users of the system; or, if not, whether the system could be made functional with reasonable efforts and what action would be needed to achieve such functionality. The contractor would be required to issue a final report on the audit of each system not later than July 1, 2008. The expiration date for this subchapter is January 1, 2009.

The bill would take effect September 1, 2007.

The Health and Human Services Commission (HHSC) states that, due to time for procurement, it is likely that work would extend beyond July 1, 2008 and into fiscal year 2009. The agency estimates a potential General Revenue cost of \$470,000 for the 2008-09 biennium, with matching Federal Funds estimated to be \$530,000. It is assumed that HHSC can absorb the costs of the bill using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, PP, MB

