

**John Hawkins, SVP, Government Relations
Texas Hospital Association
November 13, 2014**

**Texas Hospital Association comments
on
Health and Human Services Commission
and System Issues Sunset Staff Report**

Texas Hospital Association comments on Health and Human Services Commission and System Issues Sunset Staff Report

1. *The vision for achieving better, more efficiently run services through consolidation of health and human services agencies is not yet complete.*

Recommendations:

- Consolidate the five HHS system agencies into one agency called the Health and Human Services Commission with divisions established along functional lines and with a 12-year Sunset date.
- Require formation of a transition legislative oversight committee and the development of a transition plan and detailed work plan to guide HHSC and the committee in setting up the new structure.

No comment on the recommendations.

2. *Incomplete centralization of support services deprives the state of benefits envisioned in consolidating the health and human services system.*

Recommendations:

- Direct HHSC to further consolidate administrative support services, as defined in a consolidation plan developed by HHSC in consultation with other HHS system agencies.
- Direct HHSC to improve the accountability, planning, and integration of information technology in the HHS system by consolidating all IT personnel under HHSC control; clearly establishing HHSC IT's authority for overseeing IT in the system; and preparing and maintaining a comprehensive IT plan.
- Require HHSC to better define and strengthen its role in both procurement and contract monitoring by completing and maintaining certain statutorily required elements; strengthening monitoring of contracts at HHSC; improving assistance to system agencies; and focusing high-level attention to system contracting.
- Require HHSC to consolidate rate setting for the HHS system at HHSC.

THA supports the recommendations.

3. *Fragmented administration of Medicaid leads to uncoordinated policies and duplicative services and could place future transitions to managed care at risk.*

Recommendation:

- Consolidate administration of Medicaid functions at HHSC.

THA supports the recommendation.

4. ***HHSC has not fully adapted its processes to managed care, limiting the agency's ability to evaluate the Medicaid program and provide sufficient oversight.***

Recommendations:

- Require HHSC to regularly evaluate the appropriateness of data, automate its data reporting processes and comprehensively evaluate the Medicaid program on an ongoing basis.

THA supports the recommendation. Additionally, THA supports the agency be given adequate resources to collect, analyze and report pertinent data from and to its stakeholders. In addition, that agency should be required to coordinate its audits of individual providers.

- Adapt processes for the state's prescription drug program, audits and advisory committees to reflect the state's transition to managed care.

No comment on the recommendation.

- Eliminate the Pharmaceutical and Therapeutics Committee and transfer its functions to the Drug Utilization Review Board to create a single entity to oversee these related responsibilities.

No comment on the recommendation.

5. ***Fragmented provider enrollment and credentialing processes are administratively burdensome and could discourage participation in Medicaid.***

Recommendations:

- Require HHSC to streamline the Medicaid provider enrollment and credentialing processes.
- Require OIG to no longer conduct criminal history checks for providers already reviewed by licensing boards, develop criminal history guidelines for checks it will continue to perform, and complete background checks within 10 days.

THA supports the recommendations.

6. ***The state is missing opportunities to more aggressively promote methods to improve the quality of health care.***

Recommendations:

- Require HHSC to develop a comprehensive, coordinated operational plan designed to ensure consistent approaches in its major initiatives for improving the quality of health care.

- Require HHSC to promote increased use of incentive-based payments by managed care organizations, including development of a pilot project.

THA supports the recommendations and supports Commissioner Janek's comment that any proposed plan for Delivery System Reform Incentive Payment (DSRIP) projects should not limit local flexibility or innovation for improving health care.

7. *HHSC lacks a comprehensive approach to managing data, limiting effective delivery of complex and interconnected services.*

Recommendation:

- Direct the Health and Human Services Commission to elevate oversight and management of data initiatives, including creation of a centralized office with clear authority to oversee strategic use of data.

THA supports the recommendation.

8. *Administration of multiple women's health programs wastes resources and is unnecessarily complicated for providers and clients.*

Recommendation:

- Require HHSC to establish a single women's health and family planning program for the health and human services system.

THA supports the recommendation.

9. *NorthSTAR's outdated approach stifles more innovative delivery of behavioral health services in the Dallas region.*

Recommendations:

- Transition behavioral health services for both Medicaid and indigent populations in the Dallas area from NorthSTAR to an updated model, including associated legislative funding changes.
- Require the state to assist with maintenance of Medicaid eligibility and ensure full integration of behavioral health services into managed care organizations statewide.

No comment on the recommendations.

10. *Poor management threatens the Office of Inspector General's effective execution of its fraud, waste and abuse mission.*

Recommendations:

- Remove the gubernatorial appointment of the inspector general and require the inspector general to be appointed by and report to the HHSC executive commissioner.
- Require OIG to undergo special review by Sunset in six years.

- Require OIG to conduct quality assurance reviews and request a peer review of its sampling methodology used in the investigative process.
- Direct OIG to better define its role in managed care, and to work together with HHSC to transfer certain OIG functions to other areas of the HHS system where they would fit more appropriately.
- OIG should improve basic management practices, including establishing and tracking criteria and timelines for investigative processes and enforcement actions, narrowing its focus on the highest priority cases, and improving training and communication among staff.

THA supports the recommendations.

11. *Credible allegation of fraud payment hold hearings do not achieve the law's intent to act quickly to protect the state against significant cases of fraud.*

Recommendations:

- Require HHSC to streamline the CAF hold hearing process.
- Clarify OIG's payment hold authority, including adopting clearer standards for good cause exceptions and limiting payment holds to certain circumstances.
- Require OIG to pay all costs of CAF hold hearings at the State Office of Administrative Hearings.

No comment on the recommendations.

12. *HHSC's uncoordinated approach to websites, hotlines and complaints reduces effectiveness of the system's interactions with the public.*

Recommendations:

- Require HHSC to create an approval process and standard criteria for all system websites.
- Require HHSC to create policies governing hotlines and call centers throughout the health and human services system.
- Clarify the role and authority of the HHSC ombudsman's office as a point of escalation for complaints throughout the system and to collect standard complaint information.

No comment on the recommendations.

13. *HHSC's advisory committees, including the interagency task force for children with special needs, could be combined and better managed free of statutory restrictions.*

Recommendations:

- Remove advisory committees from statute, including those with Sunset dates, and allow the executive commissioner to re-establish needed advisory committees in rule.

THA supports keeping authority for the Medical Care Advisory Committee and the Hospital Payment Advisory Committee in statute.

- Remove the task force for children with special needs, the children's policy council, the council on children and families and the Texas system of care consortium from statute and direct the executive commissioner to recreate one advisory committee in rule to better coordinate advisory efforts on children's issues.

No comment on the recommendation.

14. *HHSC statutes do not reflect standard elements of Sunset reviews.*

Recommendations:

- Update two standard Sunset across-the-board recommendations for HHSC.
- Eliminate four unnecessary reporting requirements, but continue others that serve a purpose.

No comment on the recommendations.

15. *Allow the Texas Health Services Authority to promote electronic sharing of health information through a private sector entity.*

Recommendation:

- Remove the Texas Health Services Authority from statute, allowing its functions to continue only in the private sector.

THA supports the recommendation.

For questions and more information contact:

John Hawkins
SVP, Government Relations
Texas Hospital Association
(512) 465-1505
jhawkins@tha.org