



# SUNSET ADVISORY COMMISSION

Texas Department  
of Human Services



Special Purpose Review  
November 2002

**TEXAS DEPARTMENT OF HUMAN SERVICES**

**SPECIAL PURPOSE REVIEW**

# Table of Contents

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	PAGE
<b>SUMMARY</b>	
.....	1
 <b>ISSUES / RECOMMENDATIONS</b>	
1 Families At Risk of Exhausting Their Benefits are Not Getting Needed Services to Help Achieve Independence from TANF .....	5
2 Starting Community Care Eligibility Processes Earlier Would Help the Elderly and Persons with Disabilities Get Services Sooner.....	13
3 DHS Should Expand Recent Efforts to Improve Regional Accountability .....	17
 <b>STATUS OF 1999 SUNSET COMMISSION RECOMMENDATIONS</b>	
.....	23
 <b>ACROSS-THE-BOARD RECOMMENDATIONS</b>	
.....	27
 <b>AGENCY INFORMATION</b>	
.....	31

# SUMMARY



## Summary

### Sunset Special Purpose Review

## Texas Department of Human Services

The Legislature created the Department of Human Services (DHS) in 1939, and as such is the State's largest human services agency. The Department's annual budget is about \$4.7 billion, and the agency has 14,543 staff responsible for serving the most vulnerable Texans including families, children, the elderly, and persons with disabilities. DHS determines eligibility for federal and state social services programs including temporary cash assistance, Food Stamps, and Medicaid. DHS also oversees long-term care facilities and providers to ensure the health and safety of residents in these facilities.

The Department underwent Sunset review in 1998, and the Commission forwarded 24 recommendations to improve the agency to the Legislature in 1999. However, the Sunset legislation, which included those recommendations did not pass during the legislative session, and DHS was simply continued for 12 years. In 2001, the Legislature passed Senate Bill 309, which included a requirement for the Sunset Commission to conduct a special-purpose review limited to assessing the continuing appropriateness of the 1999 recommendations. To carry out this charge, Sunset staff used a three part assessment methodology including:

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***DHS has resolved, or otherwise addressed, 96 percent of the issues raised during Sunset in 1999.***

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- analysis of DHS efforts to resolve issues and problems identified in the Sunset review,
- how legislative policies and the agency's operating environment have changed, and
- the continued appropriateness of the 1999 recommendations in light of the above activities.

Of 24 statutory and management recommendations intended to address specific issues found at the agency, DHS has voluntarily resolved, or otherwise addressed, 96 percent of those recommendations since 1999. The chart, *Status At a Glance*, profiles the status of the recommendations. For more detailed information on the

<b>Status At a Glance 1999 Sunset Recommendations</b>	
Problem Resolved	18
Problems Partially Resolved	5
Problems Not Resolved	1
<b>Total</b>	<b>24</b>

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status of all the recommendations, and actions taken by the agency to resolve those issues, see the chart, *Status of 1999 Sunset Recommendations*, on page 23 of this report.

Three of the 1999 recommendations are still appropriate, although in each case, an alternative approach to the recommendation is appropriate. These issues include:

- ensuring that families most at risk of exhausting cash assistance are getting needed services to help them become independent,
- improving community care services eligibility processes to ensure available slots are filled quickly, and
- using regional business plans to support client-centered outcomes and improve regional accountability.

This report contains specific recommendations to assist the agency to resolve these outstanding issues. By continuing the progress made since 1999, the Department will be in a better position to continue improvements in policies and operations that support a client-centered service delivery strategy, focused on improving outcomes for the most vulnerable Texans.

## **Issues / Recommendations** \_\_\_\_\_

### **Issue 1 Families At Risk of Exhausting Their Benefits are Not Getting Needed Services to Help Achieve Independence from TANF.**

#### **Key Recommendations**

- Require the Department to target comprehensive assessment services to families at risk of exhausting time limited TANF benefits, and assist them to access needed services.
- Require the Department and the Texas Workforce Commission to assess and implement best practices for client transitions between the agencies.

### **Issue 2 Starting Community Care Eligibility Processes Earlier Would Help the Elderly and Persons with Disabilities Get Services Sooner.**

#### **Key Recommendation**

- Require the Department to begin the eligibility determination process for community care programs before individuals are released from interest lists.

### **Issue 3 DHS Should Expand Recent Efforts to Improve Regional Accountability.**

#### **Key Recommendation**

- Require DHS to develop regional business plans that address statewide goals and contain key client-centered outcome measures.

#### **Fiscal Implication Summary** \_\_\_\_\_

The recommendations in this report would have no direct fiscal impact to the State, and can be implemented using existing resources, as summarized below.

- *Issue 1* - Requiring DHS to target assessment services to families at risk of exhausting TANF benefits, and assist them to access needed services, would have no direct fiscal impact to the State. DHS would reallocate a portion of funds of about \$6 million annually, currently used for similar efforts, to phase-in the recommendation in targeted areas of the state.
- *Issue 2* - Requiring DHS to begin the eligibility determination process for community care programs sooner would have no fiscal impact to the State. DHS would be better able to meet, but not exceed, appropriated service levels.
- *Issue 3* - Requiring DHS to develop regional business plans can be accomplished with existing resources and would have no fiscal impact to the State.





## **ISSUES / RECOMMENDATIONS**

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# Issue 1

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## **Families At Risk of Exhausting Their Benefits are Not Getting Needed Services to Help Achieve Independence from TANF.**

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### Summary

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#### **Key Recommendations**

- Require the Department of Human Services to target comprehensive assessment services to families at risk of exhausting time limited TANF benefits, and assist them to access needed services.
- Require the Department and the Texas Workforce Commission to assess and implement best practices to improve client transitions between the agencies.

#### **Key Findings**

- The State provides services, through multiple agencies, to assist families to transition off cash assistance towards independence.
- In 1998, the Sunset review concluded that DHS was not identifying needs of families facing barriers to self-sufficiency, and not diverting them into other services.
- The TANF system provides inadequate assessments and service planning for families experiencing multiple barriers to self-sufficiency.
- A growing number of families are not leaving the TANF program successfully, and are at risk of using higher-cost state services.

#### **Conclusion**

The Department provides time-limited cash assistance to low-income families through the Temporary Assistance for Needy Families (TANF) program. Since 1995, TANF enrollment has decreased by about 50 percent, with a majority of families leaving for work. However, many of the remaining families have difficulty obtaining or maintaining employment. These families experience multiple barriers to independence and are more likely to cycle on and off TANF repeatedly, eventually lose all cash assistance, and are at higher risk of using more expensive state intervention services.

Sunset staff assessed the current appropriateness of Sunset Commission recommendations made to the Legislature in 1999 regarding problems found in the Department's service delivery to families on TANF. While about 70 percent of TANF adults now receive some work-related services found in workforce centers statewide, and coordination with the Attorney General's Child Support Division has improved, problems still exist. Based on abundant TANF funding at the time, Sunset recommended that DHS assess all TANF families for barriers to employment and referrals to needed services. Now, little funding is available for assessment activities. Sunset staff recommends a modified

approach to the 1999 recommendations by requiring comprehensive assessments only for at-risk families, rather than all families, and assisting those families to receive needed supportive services. This targeted approach would more cost effectively accomplish the intent of the original recommendations to help families with barriers achieve independence from cash assistance.

## Support

**The State provides services, through multiple agencies, to assist families to transition off cash assistance towards independence.**

### TANF Services

**Local Workforce Centers:** employment and training services, child care, and transportation services.

**Office of the Attorney General:** child support enforcement.

**Department of Health:** child health and immunization services.

- The Department administers the Temporary Assistance for Needy Families (TANF) program that provides time-limited cash assistance to low-income families, in addition to Food Stamps and Medicaid. In exchange for cash assistance, families agree to participate in services, shown in the textbox, *TANF Services*, to address barriers common to nearly all families on cash assistance. For example, most adults must participate in the Choices employment and training program administered by locally controlled workforce centers, and funded by the Texas Workforce Commission (TWC).
- Since 1995, a combination of TANF policy changes and a strong economy has helped cut the number of recipients in half. About 55 percent of the families that left TANF found employment, mostly earning around \$6.25 per hour.<sup>1</sup> By fiscal year 2002, TANF recipients totaled 323,000, of which 77 percent are children.
- While caseloads are down, a segment of the remaining 74,000 adults on TANF has had difficulty moving off cash assistance. The textbox, *Family Barriers to Self-Sufficiency*, shows barriers that when compounded with typical work-related barriers make independence from TANF more difficult. Families with these barriers are more likely to not meet program requirements, cycle on and off cash assistance, and eventually exhaust their benefits. These families are also more at risk of needing higher cost interventions in the juvenile justice, child protective, or mental health systems.

### Family Barriers to Self-Sufficiency

- Children's Health or Disability
- Physical, Mental Health, or Learning Disability
- Family Violence
- Substance Abuse
- Limited English Proficiency

**In 1998, the Sunset review concluded that the Department was not identifying needs of families facing barriers to self-sufficiency, and not diverting them into other services.**

- In 1999, the Sunset Commission recommended to the Legislature that DHS improve assessments and service delivery to all families on cash assistance to help break the cycle of TANF dependency. The chart, *Status of 1999 Sunset Recommendations*, details the recommendations and actions taken by the Department to address previously cited problems.

<b>Status of 1999 Sunset Recommendations</b>	
<b>Recommendation</b>	<b>Status</b>
Require DHS to create a single comprehensive family assessment and case management function for all families eligible for DHS services, separate from the eligibility determination function.	<b>Problem Not Resolved.</b> Sunset analysis shows that the problem still exists, but warrants a modified approach to the previous recommendation.
DHS should review current policies to improve client “hand-offs” to other state agencies, and improve quality of client hand-out materials. (Non-statutory recommendation)	<b>Partially Resolved.</b> DHS has improved coordination with the Attorney General’s Child Support Division. However, problems still exist with client “hand-offs” or transitions between DHS and TWC, and with the quality of information provided to TANF families.
Require DHS to prioritize the processing of sanctions.	<b>Problem Resolved.</b> DHS has increased timely processing of TANF sanctions.

**The TANF system provides inadequate assessments and service planning for families experiencing multiple barriers to self-sufficiency.**

- DHS recognizes that hard-to-serve families make up an increasing proportion of the TANF caseload, and has taken steps to address some service needs through a few “Barriers Projects,” which provide literacy and transportation services. Also, TWC recently recognized the need to improve identification of barriers such as family violence, and has taken limited steps to expand its employment assessments. However, the TANF system still lacks a function specifically responsible for identifying and diverting at-risk families into supportive services to help break the cycle of dependency. Neither the Department or TWC provide regular comprehensive assessments to screen for more extensive barriers and direct clients to appropriate services. As a result, many families remaining on welfare may not get the help they need to successfully participate in the TANF program, and eventually achieve self-sufficiency.
- DHS refers most, but not all, clients to local workforce centers for employment services. In the current Sunset review of TWC, Sunset staff found that workforce center staff appropriately focus on employment related services, and tracking client compliance with work requirements. Some local workforce centers also provide limited barrier assessments, and referrals to supportive services. However, assessments and services varied widely in quality as these activities are typical human service, and not traditional workforce functions.

*Hard-to-serve families make up an increasing proportion of the TANF caseload.*

*Forty percent of families cycle back on to TANF after leaving the program.*

**The quality of client transitions between DHS and TWC vary and still create barriers for families to successfully participate in services.**

- Problems with client “hand-offs” between the social services and the workforce systems still exist. The Legislature recognized these problems in 2001, by requiring the Department and TWC to sign a Memorandum of Understanding to improve service coordination. While the agencies have signed an agreement, they struggle to implement specific strategies, or formalize an actual plan to improve this coordination. In addition, TANF clients often do not receive consistent, and in some cases accurate, information about program requirements or services from DHS and TWC. Client hand-out materials still vary widely in terms of quality, readability, and comprehensiveness.
- The lack of coordinated services and quality information can put TANF clients at risk of not using available support services provided by DHS and TWC, such as child care or Medicaid, to help maintain a job. For example, less than one-third of families leaving cash assistance access work support services, even though many are still eligible.<sup>2</sup> Many families are unaware that they can access or continue to receive these services when they leave the TANF program.<sup>3</sup> When 40 percent of families eventually cycle back onto TANF, knowledge and use of services designed to support working families, and prevent them from returning to cash assistance, becomes key to program success.

**A growing number of families are not leaving the TANF program successfully, and are at risk of needing higher cost state services.**

- Sunset staff found that a growing number of families are not leaving the TANF program successfully, and are without benefits or stable employment to care for their children. According to DHS, a growing population, currently about 19,000 adults, have exhausted state TANF time limits, and are barred from receiving TANF for five years. By 2005, an additional 17,000 parents and children will potentially exhaust their lifetime limit of cash assistance. In addition, about 40 percent of families leaving TANF end up returning to cash assistance later, putting them at risk of exhausting benefits as well.
- Families that do not successfully achieve independence from TANF appear to be contributing to the need for higher cost intervention services. For example, families leaving TANF rolls accounted for an estimated 34 percent of the newly opened foster care cases in fiscal year 2000, with a potential cost of almost \$47 million in foster care payments.<sup>4</sup> In addition, about 60 percent of all children in

foster care, and 45 percent of children in the juvenile justice system, are from families in extreme poverty, and are likely to have previously accessed TANF services.<sup>5</sup> By not assessing and referring at-risk families on TANF into supportive and preventive services, DHS may be missing opportunities to help families avoid the need for more costly interventions in the future.

## Recommendation

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### Change in Statute

#### **1.1 Require the Department of Human Services to target comprehensive assessment services to families at risk of exhausting time limited TANF benefits, and assist them to access needed services.**

This recommendation would require the Department to assess the service needs of families that are at risk of exhausting their TANF benefits, and direct these families into preventive and supportive services offered by other agencies and organizations. DHS should implement the assessment and service planning function in coordination with eligibility determination, and would first target areas of the state with higher numbers of at-risk families. The Department should adopt rules to implement the following process.

- Identify families at risk of exhausting their benefits, at a minimum, targeting families returning to TANF; or individuals exempted from employment services, such as those who are incapacitated or caring for a disabled child or family member.
- Assess the needs of each at-risk family and identify those with higher levels of barriers and service needs, other than employment-related needs, that if addressed would help the family enter the workforce and achieve independence from cash assistance.
- Plan and coordinate referrals to preventive and supportive services to assist at-risk families who have barriers beyond traditional employment barriers achieve independence from cash assistance, or more fully participate in employment services.

#### **1.2 Require the Department and the Texas Workforce Commission to assess and implement best practices to improve client transitions between the agencies.**

The Department, TWC, and local workforce boards should assess and compile a report of best practices used to transition clients between local DHS offices and workforce centers. Based on this information, the agencies should formalize specific strategies to improve interagency coordination of TANF services. While the Department would produce the report, DHS and local workforce boards should implement appropriate best practices in DHS regional offices and local workforce centers. The current Memorandum of Understanding between the agencies should be updated to reflect changes resulting from this effort.

## Management Action

### **1.3 The Department should improve the quality of information provided to TANF clients on program requirements and services.**

The Department should continue efforts to produce an improved plain-language information packet for TANF families informing them of program requirements, benefit time limits, client rights and responsibilities, and available TANF-related services. The packet should also include information on services available to assist clients once employed and no longer receiving TANF benefits, such as transitional child care and Medicaid, Children's Health Insurance, food stamps, and the Earned Income Tax Credit.

### **Impact**

While DHS and TWC have assisted many families to find work and achieve independence, some families simply cannot succeed without additional, focused efforts. Sunset found that a modified approach to problems found in the 1998 Sunset review would more cost-effectively accomplish the intent of the Sunset Commission recommendations to improve service delivery to help families become independent of cash assistance.

Assessing at-risk families needs would help ensure that families get services needed to avoid cycling back onto cash assistance again, and improve their ability to become independent. Targeting families returning to TANF, or families with clearly identified barriers, would ensure those adults and children receive access to needed services before losing cash assistance. Improving client transitions between DHS and TWC, and the quality of program information, would help families better access services, such as child care or Medicaid, which will support their ability to work. Finally, by ensuring more families have the extra support they need while on cash assistance, the Department could help prevent those same families, and their children, from having to use higher cost state services in the future.

### **Fiscal Implication**

The Department can implement these recommendations using existing resources, resulting in no direct fiscal impact to the State. DHS currently uses about \$6 million annually for a number of "Barrier Projects," and would be expected to reallocate a portion of these existing funds to select regions to begin phasing in assessments and service planning for at-risk families. The Department would first target areas of the state with high numbers of families at risk of depleting benefits, and eventually incorporate the function into standard agency operations statewide by redirecting resources as they become available. The Department would direct families into preventive and supportive services that are already offered and funded by other agencies or organizations. In addition, by ensuring at-risk TANF families get the help they need to address barriers to self-sufficiency, the State has the potential to realize savings from higher cost services, such as foster care and juvenile justice.

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<sup>1</sup> Texas Department of Human Services, Texas Families in Transition (Austin, Texas, January 2002), p.38.

<sup>2</sup> Ibid, p.20-21, 49-50.

<sup>3</sup> Ibid, p.20-21, and field interviews with local workforce center case workers (October, 2001-March, 2002).

<sup>4</sup> Texas Department of Human Services, Texas Families in Transition (Austin, Texas, January 2002), p. 12, 69; Texas Department of Protective and Regulatory Services, Fiscal Year 2000 Data Book (Austin, Texas, 2000), p.58, 78; and Texas House Bill 1, General Appropriations Act, 76th Regular Session (1999).

<sup>5</sup> Texas Department of Protective and Regulatory Services, Fiscal Year 2001 Data Book (Austin, Texas, 2001), p.69; Telephone interview with Texas Juvenile Probation Commission staff (Austin, Texas, October 22, 2002).

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## Issue 2

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### **Starting Community Care Eligibility Processes Earlier Would Help the Elderly and Persons with Disabilities Get Services Sooner.**

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## Summary

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### **Key Recommendation**

- Require the Department to begin the eligibility determination process for community care programs before individuals are released from interest lists.

### **Key Findings**

- Community care services, as an alternative to nursing facility care, help Texans remain independent in their homes or community.
- In 1998, the Sunset review concluded that the Department's intake and eligibility determination processes resulted in service delays to eligible individuals.
- While the Department has taken some steps to streamline the intake and eligibility process, it could still do more to improve access to community care programs.

### **Conclusion**

The State spends approximately \$1.1 billion annually to provide community care services to assist about 140,000 low-income individuals who are elderly or have disabilities remain independent in their own homes or communities. However, demand for services continues to outpace availability despite the Legislature increasing program funding to serve more individuals, or "slots." The number of individuals waiting to see if they would be eligible for services has increased by 184 percent, up from 29,510 individuals in fiscal year 1998, to 83,938 in fiscal year 2002.

Sunset staff assessed the current appropriateness of Sunset Commission recommendations made to the Legislature in 1999 regarding problems found in the Department's intake and eligibility processes for community care services. While some problems with these processes still exist, DHS regions are starting to implement policies that reduce the time needed to get individuals into services. However, statewide, the DHS still struggles with getting individuals into services quickly for all programs. DHS does not begin to determine whether individuals on interest lists are eligible for services until program slots open, resulting in slots going unfilled for 45 to 65 days during the lengthy eligibility process.

In 1998, Sunset staff recommended several approaches regarding eligibility for services for persons on interest lists. Given the increases in requests for services, those recommendations are no longer practical. However, Sunset staff recommends an alternative approach to resolving these problems. Requiring DHS to begin the eligibility process for community care services before slots open would quicken an individual's access to community care services.

## Support

### **Community care services, an alternative to nursing facility care, help Texans remain independent in their home or community.**

#### **Community Care Services**

- Personal Attendant Care
- Nursing Services
- Home Delivered Meals
- Therapy
- Minor Home Modifications
- Adaptive Aids
- Medical Supplies
- Emergency Response Services
- Case Management

*Source: DHS Long-Term Care Workgroup Report, 2002*

*Since 1998, the number of persons seeking community care services has grown by 184 percent.*

- Community care programs provide a less expensive alternative to nursing facility care by allowing individuals to receive services in their own homes or other community settings. The services are shown in the chart, *Community Care Services*. In fiscal year 2002, the Department served approximately 140,000 low-income elderly or disabled persons through 14 community care programs at a cost of about \$1.1 billion. DHS concurrently served approximately 64,000 nursing facility residents at a cost of about \$2 billion.
- The number of Texans interested in community care programs continues to outpace the availability of services. Since 1998, the number of individuals on interest lists has increased by 184 percent from 29,510 to 83,938 in fiscal year 2002, despite the Legislature's funding of an additional 12,131 service slots. Of those on interest lists, about 28,000 individuals receive some limited services from other programs. These individuals are often waiting for more comprehensive Community Based Alternatives (CBA) services.
- The Department uses "first come first serve" interest lists if a program has a limited number of service slots available. DHS uses interest lists to manage the order of eligibility determination for those individuals. Once a program slot becomes available, in most regions the Department contacts the next person on the interest list to begin the eligibility process, which can take 45 to 60 days to complete. The service slots remain empty during this period.

### **In 1998, the Sunset review concluded that the Department's intake and eligibility determination processes resulted in service delays to eligible individuals.**

- In 1999, the Sunset Commission recommended to the Legislature to improve access to community care services by moving eligible individuals from interest lists directly into services more quickly. The chart, *Status of 1999 Sunset Recommendations*, found on the next page, details the recommendations and actions taken by DHS to address previously cited problems.

### **While the Department has taken some steps to streamline the intake and eligibility process, it could still do more to improve access to community care programs.**

- The Department is improving the management of individuals on interest lists by implementing a consolidated database for these lists in November of 2002. In addition, several regions use best

<b>Status of 1999 Sunset Recommendations</b>	
<b>Recommendation</b>	<b>Status</b>
Require DHS to maintain need-based interest lists for community care programs.	<b>Problem Partially Resolved.</b> DHS has taken steps to improve the management of individuals on interest lists. In addition, several DHS Regions use procedures for the CBA program to start the eligibility process before slots become available. However these procedures are not used across all appropriate programs statewide.
Authorize DHS case workers to use presumptive eligibility for Community Based or Primary Home Care Services.	In 2001, the Legislature approved the use of presumptive eligibility on a pilot basis, but did not fund these efforts further.
Require DHS caseworkers to adjust a client's plan of care in response to a change in condition, as determined by an official reassessment.	<b>Problem Resolved.</b> DHS provided agency staff training to readjust plans of care, and regularly monitors implementation.

practices such as proactive eligibility determination to hasten placing individuals in open service slots. However, DHS does not consistently move all individuals from interest lists into services more quickly on a statewide basis.

- In many areas, the Department begins eligibility determination only after a program slot opens up, which extends the amount of time some individuals must wait for services. As a result, despite available funding, program slots can remain unfilled for one month or more until agency staff work through interest lists to find a person eligible for services.

In fiscal year 2002, DHS projected to average about 2,000 open slots during the year for its Medicaid waiver programs, despite having many individuals on interest lists. By not filling these slots more quickly, individuals most in need of community care services are at risk of going into more expensive nursing facility care, should their condition deteriorate while waiting for eligibility determination for available services.

*Because DHS does not start eligibility processes sooner, program slots can remain unfilled for a month or more.*

## Recommendation

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### Change in Statute

#### **2.1 Require the Department to begin the eligibility determination process for community care programs before individuals are released from interest lists.**

This recommendation would require the Department to implement the following measures.

- Identify community care slots that will come available during the following quarter due to program expansion, or case closures.
- Begin contacting individuals on interest lists, and start the eligibility determination process at least 30 days before the forecasted program slots become unfilled.
- Ensure that individuals determined eligible begin receiving services only after a slot actually becomes available.

This recommendation would apply, at a minimum, to community care programs authorized under a Medicaid waiver, or programs that have a specified number of program slots allocated each biennium by the Legislature.

Agency staff would forecast the number of program slots expected to come available, at a minimum, during the following quarter, and start contacting individuals at the top of the interest lists to begin the eligibility process. Case workers would then start care planning and begin services for individuals determined eligible as soon as possible after program slots open up.

### Impact

This alternative approach to the problems found in the 1998 Sunset review would more fully accomplish the intent of previous Sunset recommendations to improve access to community care programs. This recommendation would reduce, by a month or more, the amount of time individuals must wait for services to start. Starting the eligibility determination process earlier will allow eligible persons to begin services almost immediately when a slot becomes available. As a result, DHS would be better able to ensure that persons who are frail, elderly, or have disabilities, would receive services more quickly, and potentially delay, or eliminate, the need for more expensive nursing facility care. The Department would also improve its ability to work through interest lists and avoid leaving funded slots unfilled.

### Fiscal Implication

This recommendation would have no fiscal impact to the State. The Department receives funding to fill program slots for the entire year. This recommendation would assist the Department in meeting appropriated service levels, but would not increase expenditures above the amount the Legislature funded. In fiscal year 2002, the Department had about \$34.4 million of unexpended funding for program slots.

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## Issue 3

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### **DHS Should Expand Recent Efforts to Improve Regional Accountability.**

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## Summary

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### **Key Recommendation**

- Require DHS to develop regional business plans that address statewide goals and contain key client-centered outcome measures.

### **Key Findings**

- The Department delegates service delivery to large-sized regions operating with considerable autonomy from the DHS state office.
- In 1998, the Sunset review concluded that DHS did not have clear goals guiding regional operations and that the Department lacked an effective mechanism to hold regions accountable for performance.
- While the Department has implemented regional business planning, it can make these plans a more effective management tool.

### **Conclusion**

The Department delegates responsibility for service delivery to eleven large regions that operate with a considerable degree of autonomy from the state office. In 1998, Sunset staff recommended requiring DHS to enter into region-specific performance agreements with regional administrators, and to develop key performance criteria related to programs of legislative interest. Recently, the Department has made efforts to fulfill the intent of these recommendations by developing regional business plans. However these plans do not consistently address statewide goals, do not include client-centered performance measures, and do not always take public input into consideration.

Sunset staff assessed the current appropriateness of Sunset Commission recommendations made to the Legislature in 1999 regarding problems found with the agency's ability to hold regions accountable. As stated above some problems remain and Sunset staff recommends a modified approach to resolving these problems. Requiring regional administrators to use all statewide goals in business plans, and to include client-centered outcome measures in these plans, will improve overall regional accountability to the DHS state office. The Department will also be able to better assess statewide progress towards meeting agency goals, and assist low performing regions. In addition, the agency will be able to provide improved information on programs and activities of legislative interest.

## Support

**The Department delegates service delivery to large-sized regions operating with considerable autonomy from the DHS state office.**

*DHS regional administrators manage their regions with considerable autonomy from the state office.*

- DHS delivers services through 10 regional offices that oversee 11 regions. Several of these region’s budgets and staffing levels are more than those of some Texas state agencies. For example, the three largest regions, Dallas, Houston and the Rio Grande Valley, have budgets of approximately \$39 million annually, and employ about 2,000 State staff and contracted providers. The regions carry out statewide policies and operating procedures under state office oversight. The state office does allow regions flexibility in developing specific service delivery strategies that reflect local needs and conditions.
- Regional administrators manage each region with considerable autonomy, independently setting staffing levels and contracting for client services with outside providers, as long as expenditures stay within budgets. DHS uses annual evaluations of regional administrators to hold them accountable for performance on process measures, such as quality control rates, timeliness of fair hearings, and human resource management. DHS also reports regional program performance data to the Legislature monthly.

*Recently, DHS has required its regions to submit business plans to the state office.*

Recently, the Department has required regional administrators to submit business plans, modeled after the state office business plan, which identify regional goals and objectives. These regional plans include goals relating to collaboration with local communities, quality of customer service, and retention of qualified staff. The chart, *DHS State Office Business Plan Goals*, summarizes the agency’s statewide goals.

<b>DHS State Office Business Plan Goals</b>	
<b>Goal I</b>	Provide easy access and highest quality services to clients.
<b>Goal II</b>	Increase prevention and early intervention in welfare dependency, health and aging, family violence, and teen pregnancy.
<b>Goal III</b>	Work with stakeholders at the state, federal, and local community level to meet client and family needs.
<b>Goal IV</b>	Control fraud and abuse in the delivery of services.
<b>Goal V</b>	Improve regulatory oversight of long-term care service providers.
<b>Goal VI</b>	Recruit, develop, and retain a skilled and divers DHS workforce.
<b>Goal VII</b>	Manage agency operations and funds wisely to meet the needs of Texas citizens.

**In 1998, the Sunset review concluded that DHS did not have clear goals guiding regional operations and that the Department lacked an effective mechanism to hold regions accountable for performance.**

- In 1999, the Sunset Commission recommended ways to improve the agency's ability to collect information on areas of legislative concern, such as performance based contracting, and to better identify, and hold accountable, low performing regions. The chart, *Status of 1999 Sunset Recommendations*, details the recommendations and actions taken by DHS to address previously-cited problems.

<b>Status of 1999 Sunset Recommendations</b>	
<b>Recommendation</b>	<b>Status</b>
Require DHS to enter into a region-specific performance agreement with regional administrators, using public input, and develop key performance criteria related to areas of legislative concern.	<b>Problem Partially Resolved.</b> Since 2000, DHS has required regions to submit business plans to the state office. However, regional plans do not consistently incorporate statewide goals, do not contain client-centered performance measures, and do not consistently consider public input.

**While the Department has implemented regional business planning, it can make these plans a more effective management tool.**

- DHS now requires regions to submit business plans to better guide local service delivery and operations, and to identify local strategies to improve customer service. However, these business plans do not consistently contain important statewide goals, hindering the agency's ability to evaluate overall progress towards these goals. For example, none of the regional business plans address the following:

Goal II – increased prevention and early intervention in welfare dependency, health and aging, family violence, and teen pregnancy;

Goal IV – control of fraud and abuse in the delivery of services; and

Goal VII – wise management of operations and funds.

In addition, the Department does not consistently collect data on regional progress towards meeting state goals actually included in the business plans. As a result, outside of annual regional administrator evaluations, DHS is less able to hold regions accountable for results, and target assistance to low performing regions. As DHS gives regions more duties, such as the recent

*DHS regional business plans lack consistent statewide goals and outcome-based measures.*



move to delegate long-term care regulatory functions to regions, collecting performance measure information becomes increasingly important for holding regions accountable.

- Regional business plans do not contain consistent client-centered outcome measures clearly tied to statewide goals, such as measuring reductions in family violence as a result of early intervention. Instead, regional plans focus on administrative processes, such as the number of stakeholder meetings held. The lack of client-centered outcome measures hinders the agency's ability to quantify and evaluate how services are improving client outcomes, and report that key information to the Legislature.
- Sunset staff found that regions do not consistently seek public input when developing region-specific objectives and strategies for business plans. Public input is important to help ensure that regional business plans reflect local conditions and needs as a means to improving customer service.

## Recommendation

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### Change in Statute

#### **3.1 Require DHS to develop regional business plans that address statewide goals and contain key client-centered outcome measures.**

This recommendation would require regional business plans to address all DHS statewide goals and to include region-specific objectives and strategies to meet these goals. This recommendation would require the Department to develop key client-centered outcome measures for inclusion in regional business plans. Recognizing regional differences, DHS and regional administrators would set region-specific targets for these measures. In addition, DHS should seek public input into the development of the regional business plans and regional strategies. Regional administrators would report at least annually to the state office on progress towards goals and objectives contained in the plan. DHS would report on the client-centered outcome measures to the Legislature annually.

### Impact

This recommendation would allow DHS to more effectively assess how the agency is improving outcomes for clients receiving services, and increase regional accountability for achieving results. DHS would also be able to better hold regional administrators accountable for performance, track regional progress towards statewide goals, and target assistance to low performing regions. The Legislature would be better informed as to how the agency is performing on key indicators tied to programs and activities of legislative interest. This recommendation would also ensure that local communities have a formal mechanism to provide input into the development of regional plans and strategies.

## **Fiscal Implication**

This recommendation would have no fiscal impact to the State, as the agency can improve its regional planning with existing resources.



**STATUS OF 1999 SUNSET COMMISSION  
RECOMMENDATIONS**

<b>Status of 1999 Sunset Commission Recommendations on the Department of Human Services</b>	
<b>Recommendation</b>	<b>Status</b>
<b>Issue 1 Create a Family Assessment and Case Management Function to Address the Needs of Families on Public Assistance.</b>	
1.1 Require DHS to create a single comprehensive family assessment and case management function for all families eligible for DHS services, separate from the eligibility determination function.	<b>Problem Not Resolved.</b> Sunset staff analysis shows that while problems still exist, changes in circumstances warrant a modified approach as discussed in Issue 1 of this report.
1.2 Require DHS to prioritize the processing of TANF sanctions.	<b>Problem Resolved.</b> DHS has greatly improved processing and tracking of TANF sanctions.
1.3 DHS should review current policies to improve client “hand-offs” to other state agencies, and improve the quality of client hand out materials.	<b>Problem Partially Resolved.</b> While DHS has made progress on this recommendation, Sunset staff analysis found that problems still exist, and that the recommendation is still appropriate as discussed in Issue 1 of this report.
<b>Issue 2 Improve Access to Community Care for Elderly and Disabled People.</b>	
2.1 Require DHS to maintain need-based waiting lists for community care programs.	<b>Alternative Approach Required.</b> DHS is taking steps to improve the management of individuals on waiting lists, and is determining eligibility for services sooner for some programs. These changes warrant an alternative recommendation as discussed in Issue 2 of this report.
2.2 Authorize DHS case workers to use presumptive eligibility for Community Based or Primary Home Care Services.	<b>Alternative Approach Required.</b> In 2001, the Legislature approved the use of presumptive eligibility on a pilot basis, but did not fund these efforts further. Sunset staff recommends an alternative solution as discussed in Issue 2 of this report.
2.3 Require DHS caseworkers to adjust a client’s plan of care in response to a change in condition.	<b>Problem Resolved.</b> DHS has provided training to staff to improve the agency’s ability to adjust a client’s plan of care.
<b>Issue 3 Improve the Quality of Community Care Through Selective Contracting and Stronger Monitoring.</b>	
3.1 Prohibit use of open enrollment contracting procedures and use selective contracting to minimize administrative costs.	<b>Problem Resolved.</b> DHS has met the intent of the recommendation by increasing the eligibility requirements to qualify as a contracted provider, and issuing provisional contracts to providers with limited compliance histories.

<b>Status of 1999 Sunset Commission Recommendations on the Department of Human Services</b>	
<b>Recommendation</b>	<b>Status</b>
<b>Issue 3 Improve the Quality of Community Care Through Selective Contracting and Stronger Monitoring (continued).</b>	
3.2 Require DHS to include program performance standards based on client specific data, and sanctions for nonperformance, in all of its contracts for community care services.	<b>Problem Partially Resolved.</b> DHS is in the process of meeting the intent of this recommendation. DHS has rules for compliance with program standards, sanctions for non-compliance, and a Sanction Action Review Committee. In June, 2002, the State Auditor's Office recommended DHS place performance measures in community care contracts, and DHS plans to implement these measures by December 2003.
3.3 Require DHS to use a risk assessment to implement statewide monitoring of contract compliance of community care providers.	<b>Problem Resolved.</b> DHS developed a risk assessment tool.
3.4 DHS should develop statewide contracting, procurement, and sanctioning policies and procedures.	<b>Problem Resolved.</b> DHS has developed consistent statewide monitoring guidelines, sanctions process, and contract applications.
3.5 DHS should explore requiring all providers to use one contract for waiver and non-waiver program services.	<b>Problem Resolved.</b> DHS uses a single contract for waiver and non-waiver programs.
<b>Issue 4 Require Performance Standards In Contracts for Nursing Facility Care.</b>	
4.1 Require DHS to develop rules setting minimum contract performance standards and include those minimum standards in all contracts for nursing facility care.	<b>Problem Partially Resolved.</b> DHS has improved enforcement efforts, resulting in the cancellation of contracts for low performing nursing facilities. However, DHS could continue current efforts to move towards an oversight system combining regulatory compliance with outcome-based performance measures.
4.2 Require the agency to assemble existing regulatory and service quality data in a format for use by the general public.	<b>Problem Resolved.</b> DHS created the Quality Reporting System, an Internet application for public access to consumer and quality information on nursing facilities.
4.3 DHS should receive and use information from Health and Human Services Commission Utilization Review staff to make policy changes and identify high risk facilities requiring additional monitoring.	<b>Problem Resolved.</b> DHS has satisfied the intent of this recommendation by forming the Long-Term Care Quality Assurance program to identify nursing facilities at risk of delivering sub-standard care and in need of increased technical assistance.

<b>Status of 1999 Sunset Commission Recommendations on the Department of Human Services</b>	
<b>Recommendation</b>	<b>Status</b>
<b>Issue 5 Strengthen Long-Term Care Regulation by Standardizing and Tracking Enforcement.</b>	
5.1 DHS should continue to standardize enforcement policies and procedures across regions to achieve the following: <ul style="list-style-type: none"> <li>- standardized enforcement protocols for the full range of regulatory remedies, both state and federal,</li> <li>- improved monitoring of regional regulatory offices for timely resolution of deficiencies and sanctions, and</li> <li>- enhanced automated regulatory systems to track the history of each inspection and/or complaint investigation incident including their resolution.</li> </ul>	<b>Problems Resolved.</b> DHS has adopted protocols and a penalty matrix to guide the appropriate use of administrative penalties. DHS has created a state office function to monitor and track regional office enforcement efforts. DHS has developed long-term care related information systems including: <ul style="list-style-type: none"> <li>● CARES - tracks investigations and complaints;</li> <li>● Central Data Repository - tracks enforcement; and</li> <li>● CARTS - tracks nursing facility administrator complaints.</li> </ul>
5.2 Direct DHS to develop criteria, in published rule, regarding circumstances that trigger the imposition of each of the remedies the agency has available.	<b>Problem Resolved.</b> DHS has met the intent of this recommendation by publishing rules defining the scope and severity of violations warranting regulatory remedies.
<b>Issue 6 Require Performance Agreements for DHS Regional Administrators.</b>	
6.1 Require DHS Commissioner to: <ul style="list-style-type: none"> <li>- enter into region-specific performance agreements that set performance goals related to legislative programs,</li> <li>- develop these performance agreements with public input and make these agreements publically available,</li> <li>- tie regional budgets to these agreements; and</li> <li>- report annually to the legislature on regional performance.</li> </ul>	<b>Problems Partially Resolved.</b> Sunset staff analysis found that DHS is satisfying much of the intent of this recommendation. DHS requires regions to develop business plans, and regions have improved tracking of performance data reported to the Legislature. However, additional progress can be made, and Sunset staff recommends a modified approach as discussed in Issue 3 of this report.
<b>Issue 7 Strengthen Family Violence Services Through Competitive Contracting and the Funding of Non-Residential Services.</b>	
7.1 Allow funding of non-residential family violence centers and require competitive bidding of contracts for training and technical assistance.	<b>Problem Resolved.</b> DHS allows funding for non-residential centers and conducts competitive bidding for training and technical assistance as required under Senate Bill 47, passed in 2001.

<b>Status of 1999 Sunset Commission Recommendations on the Department of Human Services</b>	
<b>Recommendation</b>	<b>Status</b>
<b>Issue 7 Strengthen Family Violence Services Through Competitive Contracting and the Funding of Non-Residential Services (continued).</b>	
7.2 Expand definition of family violence service providers to allow State funding of non-residential family centers.	<b>Problem Resolved.</b> DHS funds non-residential centers with state funds.
7.3 Require the DHS Family Violence Program and the Department of Protective and Regulatory Services (DPRS) to develop policies and procedures to coordinate their activities at the state and local level.	<b>Problem Resolved.</b> A Family Violence working group composed of DHS staff, DPRS staff, and providers meets on a regular basis.
<b>Issue 8 Transfer the Administration of Certain Nutrition Assistance Programs from DHS to the Texas Education Agency.</b>	
8.1 Transfer administration of the child and adult nutrition programs from DHS to the Texas Education Agency.	<b>Problem Resolved.</b> While the administration of nutrition programs remains at DHS, the agency has addressed operational and administrative concerns by streamlining program application and review processes.
<b>Issue 9 Transfer DHS Administrative Hearings to the State Office of Administrative Hearings (SOAH).</b>	
9.1 Transfer the Department's Administrative Procedure Act hearings to SOAH.	<b>Problem Resolved.</b> DHS contested case hearings are performed by SOAH under a Memorandum Of Understanding.
<b>Issue 10 Continue DHS for Eight Years and Add Medical Expertise to the Board.</b>	
10.1 Continue the Department of Human Services for eight years.	<b>Implemented.</b> The Legislature has continued DHS until September 1, 2011.
10.2 Modify the composition of the DHS Board to include one medical doctor with expertise in geriatrics and one other health care professional.	<b>Problem Partially Resolved.</b> While not required by statute, the Governor's Office has appointed a medical doctor and a health care professional to the DHS Board.



## **ACROSS-THE-BOARD RECOMMENDATIONS**

<b>Texas Department of Human Services</b>	
<b>Recommendations</b>	<b>Across-the-Board Provisions</b>
	<b>A. GENERAL</b>
Update and Modify	1. Require at least one-third public membership on state agency policymaking bodies.
Update and Modify	2. Require specific provisions relating to conflicts of interest.
Already in Statute	3. Require that appointment to the policymaking body be made without regard to the appointee's race, color, disability, sex, religion, age, or national origin.
Apply	4. Provide for the Governor to designate the presiding officer of a state agency's policymaking body.
Update	5. Specify grounds for removal of a member of the policymaking body.
Already in Statute	6. Require that information on standards of conduct be provided to members of policymaking bodies and agency employees.
Already in Statute	7. Require training for members of policymaking bodies.
Update	8. Require the agency's policymaking body to develop and implement policies that clearly separate the functions of the policymaking body and the agency staff.
Update	9. Provide for public testimony at meetings of the policymaking body.
Update and Modify	10. Require information to be maintained on complaints.
Update	11. Require development of an equal employment opportunity policy.
Apply	12. Require information and training on the State Employee Incentive Program.

<b>Texas Department of Human Services (Nursing Facility Administrators)</b>	
<b>Recommendations</b>	<b>Across-the-Board Provisions</b>
	<b>B. LICENSING</b>
Already in Statute	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
Already in Statute	2. Provide for notice to a person taking an examination of the results of the examination within a reasonable time of the testing date.
Already in Statute	3. Authorize agencies to establish a procedure for licensing applicants who hold a license issued by another state.
Already in Statute	4. Authorize agencies to issue provisional licenses to license applicants who hold a current license in another state.
Already in Statute	5. Authorize the staggered renewal of licenses.
Already in Statute	6. Authorize agencies to use a full range of penalties.
Not Applicable	7. Revise restrictive rules or statutes to allow advertising and competitive bidding practices that are not deceptive or misleading.
Already in Statute	8. Require the policymaking body to adopt a system of continuing education.

<b>Texas Department of Human Services (Permits for Medication Aides)</b>	
<b>Recommendations</b>	<b>Across-the-Board Provisions</b>
	<b>B. LICENSING</b>
Apply	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
Apply	2. Provide for notice to a person taking an examination of the results of the examination within a reasonable time of the testing date.
Not Applicable	3. Authorize agencies to establish a procedure for licensing applicants who hold a license issued by another state.
Not Applicable	4. Authorize agencies to issue provisional licenses to license applicants who hold a current license in another state.
Apply	5. Authorize the staggered renewal of licenses.
Update	6. Authorize agencies to use a full range of penalties.
Not Applicable	7. Revise restrictive rules or statutes to allow advertising and competitive bidding practices that are not deceptive or misleading.
Already in Statute	8. Require the policymaking body to adopt a system of continuing education.



## **AGENCY INFORMATION**

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# Agency Information

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## Agency at a Glance

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The Department of Human Services (DHS) administers social service programs that assist low-income families, individuals who are elderly or have disabilities, refugees, and victims of family violence to lead safer, more independent lives in their communities.

The Department's major functions include:

- determining eligibility for federal and state social service programs including temporary cash assistance, Food Stamps, Medicaid, children's health insurance, and long-term care nursing home and community-based services;
- regulating providers of long-term care services, and related occupations, to ensure the health and safety of individuals in nursing homes or in community-based settings; and
- overseeing more than \$3 billion in contracts for agency services.

*On the Internet  
Information about  
DHS is available at:  
[www.dhs.state.tx.us](http://www.dhs.state.tx.us)*

## Key Facts

- **Funding.** The Department's budget for fiscal year 2002 was approximately \$4.7 billion, of which 62 percent (\$2.9 billion) is federal funds. Other sources make up the balance, including the State's contribution of \$1.7 billion. Federally funded Food Stamp benefits, totaling \$1.5 billion, are not included in the agency's budget.
- **Staffing.** The Department budgeted for 14,543 employees for fiscal year 2002, of which 1,864 work out of the agency's headquarters in Austin. The remaining employees work in field offices located in eleven regions.
- **Long-Term Care.** In fiscal year 2002, the Legislature dedicated over 75 percent, or \$3.6 billion, of the agency's budget to its long-term care strategy, which includes nursing facility care, community care services, and long-term care regulation and quality monitoring. In fiscal year 2002, 138,847 individuals received community care services, while the number of residents in nursing facilities remains stable at about 64,000 annually.
- **Family Services.** The Temporary Assistance for Needy Families (TANF), Medicaid, and Food Stamp programs helped nearly 1.3 million low-income families meet their basic financial, health, and

nutrition needs in fiscal year 2002. About 8,800 Texas Works staff determine eligibility for all three programs, with TANF cases making up about 15 percent of the caseload.

## Organization

### Policy Body

#### Department of Human Services Board Members

- Jon M. Bradley, Chair  
Dallas
- Jerry Kane, Vice Chair  
Corpus Christi
- Abigail Rios Barrera, M.D.  
San Antonio
- John A. Cuellar  
Dallas
- Manson B. Johnson  
Houston
- Terry Durkin Wilkinson  
Midland

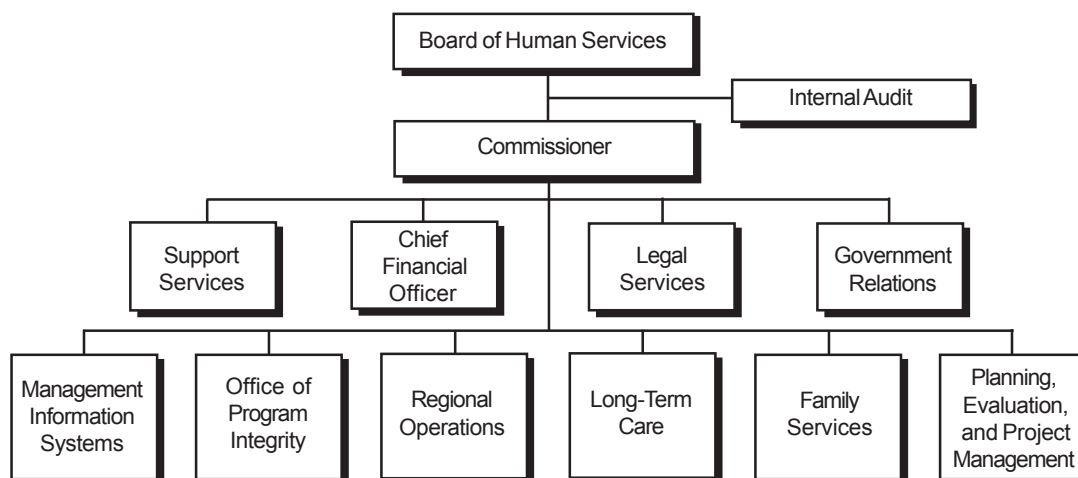
A six-member Board governs DHS, appointed by the Governor with the advice and consent of the Senate, representing all geographic regions of the state. To qualify for appointment, a person must have an interest in, and a demonstrated knowledge of human services. The textbox, *Department of Human Services Board Members*, identifies the members and their places of residence.

### Staff

For fiscal year 2002, the Department budgeted for 14,543 staff, as shown in the chart, *Budgeted FTEs by Program Areas*. House Bill 1839, passed in 2001, resulted in the transfer of 86 staff and \$5 million annually from long-term care regulation to a new long-term care Quality Outreach program. The Department's organization is shown in the chart, *Texas Department of Human Services Organizational Chart*.

Budgeted FTEs by Program Areas FY 02	
Agency Function	Number of FTEs
Family Services	9,009
LTC Services	2,927
LTC Regulation	1,048
LTC Quality Outreach	86
Administration	1,473
<b>Total</b>	<b>14,543</b>

### Texas Department of Human Services Organizational Chart

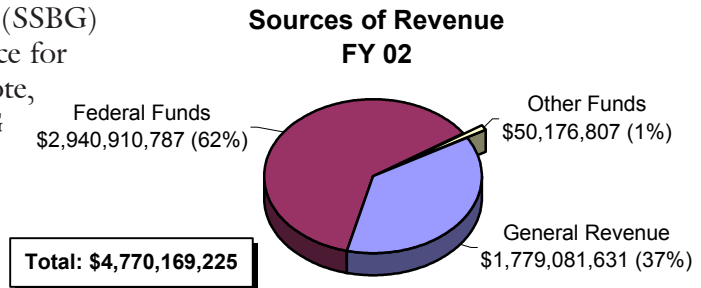




## Funding

### Revenues

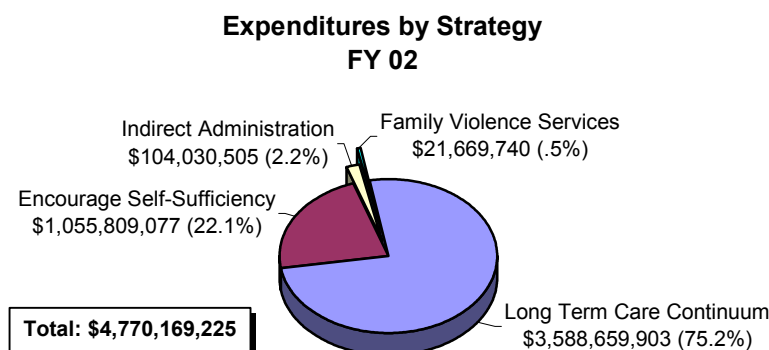
The Department's budget for fiscal year 2002 was approximately \$4.7 billion, as shown in the chart, *Sources of Revenue*. The Department's main sources of federal funds include Medicaid to primarily fund provider payments and eligibility determination processes, the Social Services Block Grant (SSBG) to fund direct services, Temporary Assistance for Needy Families, and Food Stamps. Of note, since fiscal year 1993, Medicaid and SSBG funding for community care services has risen from \$326.5 million, or 24 percent of all long-term care funding, to \$1.1 billion, or about 37 percent of all long-term-care funding.



### Expenditures

The agency spent approximately \$4.7 billion in fiscal year 2002, as shown in the chart, *Expenditures by Strategy*. The long-term care strategy includes eligibility determination, payments for community care services and nursing home care, and facility and professional licensing. The self-sufficiency strategy includes eligibility determination for temporary cash assistance, Medicaid, and Food Stamps, as well as nutrition, and immigration/refugee assistance programs. The family violence strategy funds grants for community shelters and non-residential services. The chart, *DHS Expenditures by Programs*, shows the agency's expenditures of federal, state, and local funds by program.

*Thirty-seven percent, or \$1.1 billion of long-term care funding goes to community-based services.*



Note: Expenditures do not include the value of food stamps (\$1,487,010,691) or the value of commodities distributed (\$103,400,000).

<b>DHS Expenditures by Programs - FY 02</b>				
<b>Program</b>	<b>Total Expenditures</b>	<b>Federal Funds</b>	<b>State Funds</b>	<b>Other Funds</b>
<b>Long-Term Care Services</b>				
Community Care Services	\$1,144,338,645	\$703,859,952	\$439,085,695	\$1,392,998
Star Plus (Medicaid Services)	\$243,529,748	\$146,728,410	\$96,801,338	\$0
In-Home and Family Support	\$7,197,000	\$0	\$7,197,000	\$0
Home and Community Support Services	\$5,089,166	\$3,799,802	\$1,289,364	\$0
Long-Term Care Eligibility and Service Planning	\$110,229,906	\$58,944,903	\$50,640,026	\$644,977
Nursing Facilities and Hospice Care	\$2,027,849,772	\$1,217,644,544	\$809,380,728	\$824,500
<b>Long-Term Care Regulation and Quality</b>				
Long-Term Care Facility Regulation	\$45,427,866	\$32,222,555	\$12,943,892	\$261,419
Long-Term Care Credentialing	\$995,242	\$362,385	\$504,128	\$128,729
Long-Term Care Quality Outreach	\$4,002,558	\$2,502,976	\$399,582	\$1,100,000
<b>Family Services</b>				
TANF, Medicaid, and Food Stamps Eligibility	\$459,896,910	\$269,208,033	\$170,332,549	\$20,356,328
TANF Grants	\$282,377,482	\$163,669,138	\$115,457,581	\$3,250,763
Family Violence Services	\$21,669,740	\$0	\$21,669,740	\$0
Nutrition Assistance	\$191,930,445	\$190,864,460	\$936,679	\$129,306
Refugee Assistance	\$13,590,022	\$13,317,815	\$272,207	\$0
<b>Other Services</b>				
Disaster Assistance	\$108,014,218	\$82,148,206	\$25,866,012	\$0
<b>Administration</b>				
Central Administration	\$29,505,563	\$17,230,736	\$12,124,827	\$150,000
Information Resources	\$50,498,050	\$24,742,883	\$13,617,840	\$12,137,327
Other Support Services	\$11,676,788	\$2,403,068	\$1,775,425	\$7,498,295
Regional Administration	\$12,350,104	\$6,980,209	\$5,067,730	\$302,165
<b>Totals</b>	<b>\$4,770,169,225</b>	<b>\$2,936,630,075</b>	<b>\$1,785,362,343</b>	<b>\$48,176,807</b>

## Agency Operations

DHS administers multiple state and federal human services programs that assist low-income families, individuals who are elderly or have disabilities, refugees, and victims of family violence to lead safer, more independent lives in their communities. DHS conducts three core activities to ensure service delivery to Texans:

- eligibility determination for family and long-term care services,
- regulation and oversight of long-term care facilities and occupations, and
- administration of contracts for services and goods.

*DHS oversees more than 9,000 contracts for \$3 billion in services.*

The Department determines eligibility for community-based and institutional long-term care, and family services including temporary cash assistance, Medicaid, and Food Stamps. DHS oversees the health and safety of clients by monitoring long-term care facilities and providers for compliance with federal and state regulatory standards. In addition, DHS licenses long-term care professionals such as nursing home administrators. The agency also conducts contract management and oversight for more than 9,000 service contracts involving approximately \$3 billion in expenditures.

## Long-Term Care Services

In fiscal year 2002, the Department served more than 213,000 clients in Medicaid-funded community-based and nursing facility long-term care (LTC) programs, expending more than \$3 billion for these services.<sup>1</sup> Community-based long-term care programs offer a range of services funded by state general revenues, Medicaid, and federal grants that enable elderly individuals and people with disabilities to live in their homes.

Since fiscal year 1998, the number of community-based LTC clients has increased sharply by more than 35,000 while the number of Medicaid nursing facility clients has stayed constant at about 64,000 annually. For fiscal year 2002, 68 percent (138,847) of all LTC clients were served in community-based programs. Contributing to these increases are more funding to reduce levels of institutional care, and Legislative directives to reduce the high cost of providing care in institutional settings.

The chart, *Community Long-Term Care Programs*, lists DHS programs in this area. Community-Based Alternatives and Community Living Assistance and

### Community Long-Term Care Programs

- Community-Based Alternatives
- Community Living Assistance and Support Services
- Star Plus Managed Care
- Program of All-Inclusive Care for the Elderly
- Deaf-Blind with Multiple Disabilities
- Medically Dependent Children
- Adults and Children Consolidated Waiver
- Adult Foster Care
- Family Care
- Consumer Managed Attendant Services
- Day Activity and Health Services
- Emergency Response
- In-Home and Family Support Program
- Primary Home Care
- Residential Care
- Respite Care
- Special Services to Persons with Disabilities (SSPD)
- SSPD 24-Hour Attendant Care
- Home Delivered Meals

Support Services account for approximately \$450 million of expenditures. DHS also provides non-community based and institutional LTC services as shown in the chart, *Institutional and Other Long-Term Care Programs*.

### **Long-Term Care Regulation**

DHS long-term care regulatory staff oversee LTC facilities and occupations to ensure the health and safety of residents, and that residents are treated with courtesy and respect. Texas has about 3,800 LTC facilities which come under state and federal regulations as shown in the chart, *LTC Facilities Regulated by DHS*.

*DHS regulates almost 3,800 LTC facilities with 91,000 residents.*

These facilities provide a place of residence for almost 138,000 Texans. Approximately one-third of long-term care facilities in Texas are nursing facilities. Of the approximately 91,000 residents in nursing facilities, two-thirds are Medicaid clients. DHS licenses all LTC facilities, and certifies those facilities participating in Medicaid/Medicare programs.

The agency also licenses and inspects Home and Community Support Services Agencies, a program transferred to DHS from the Texas Department of Health in 1999.

Approximately 300 survey staff inspect most nursing homes on a 12-month cycle. In fiscal year 2002, DHS staff conducted 5,000 inspections of long-term care facilities and imposed a total of \$10.8 million in administrative penalties. The agency has a range of sanctions to bring LTC facilities into compliance with cited deficiencies including Medicaid decertification, license denial or revocation, administrative and/or civil penalties, suspension of admissions, and emergency closures.

### **Quality Outreach**

DHS has staff dedicated to assisting nursing facilities with improving quality of care. Using health-related data as indicators of quality of

#### **Institutional and Other Long-Term Care Programs**

- Nursing Facility Care
- Nursing Facility Rehabilitative Services
- Medicaid Swing Bed Program
- Specialized Services
- Emergency Dental Services
- Community Alzheimers Resources and Education
- Pre-Admission Screening and Resident Review
- Assisted Living Facilities
- Intermediate Care Facilities for the Mentally Retarded
- Adult Day Care
- Medicaid Hospice

#### **LTC Facilities Regulated by DHS FY 02**

<b>Type of Facility</b>	<b>Number of Facilities</b>
Nursing Homes	1,120
Assisted Living	1,324
Mental Retardation	902
Adult Day Care	378
Hospital Based	74
<b>Total</b>	<b>3,798</b>

care, these staff can flag facilities at risk of delivering sub-standard care to facility residents and provide those facilities with needed technical assistance.

### **Occupational Credentialing**

DHS credentials and oversees staff in LTC facilities and home health agencies. Credentialing staff licenses nursing home administrators, certifies nurses aides and medication aides, maintains the Nurse Aide and Employee Misconduct Registries, and conducts criminal history checks on prospective employees of LTC facilities and home health agencies.

### **Family Services**

The Office of Family Services administers programs to help low-income families meet basic nutrition and health needs, and provides temporary public assistance. These programs are shown in the chart, *Family Services Programs*.

Texas Works advisors conduct eligibility determination and provide benefits for low-income families for Temporary Assistance for Needy Families (TANF), Medicaid, and Food Stamps. The chart, *Family Services Caseloads and Recipients*, shows that while TANF and Food Stamp caseloads have declined since fiscal year 1998, Medicaid caseloads have increased by more than 38 percent. The increase in Medicaid recipients is due both to simplification of the Medicaid application process and greater outreach to clients.

#### **Family Services Programs**

- Temporary Assistance for Needy Families
- Medicaid for Families and Children
- Food Stamps
- Family Violence
- Refugee Cash and Medical Assistance
- Special Nutrition Programs

<b>Family Services Caseloads and Recipients - FY 02</b>			
<b>Program</b>	<b>Caseload (Monthly Average)</b>	<b>Recipients (Monthly Average)</b>	<b>Caseload Change Since FY 98</b>
Temporary Assistance for Needy Families	133,000	359,000	Down 20.9%
Adult and Children's Medicaid	684,476	941,000	Up 38.1%
Food Stamps	580,774	1,580,000	Down 7.5%

*Medicaid caseloads are up 38 percent since 1998.*

### **Temporary Assistance for Needy Families**

The TANF program includes federal TANF benefits, and the state-funded TANF State Program for two-parent families. In addition, DHS administers the One Time TANF program which provides a single lifetime \$1,000 cash benefit, while forfeiting eligibility for regular TANF for one year. Adults receiving TANF benefits, unless exempted, must participate in the Texas Workforce Commission Choices employment program, found in more than 250 local workforce centers. In addition,

TANF recipients must cooperate with the Office of the Attorney General to secure child support for any dependents. DHS has the authority to sanction TANF recipients by reducing the caretaker's cash benefit for not meeting work, child support, or other requirements in the client's Personal Responsibility Agreement.

### **Medicaid**

The Medicaid program provides basic health care to families in need. The Department is the federally designated agency for determining Medicaid eligibility, while the Health and Human Services Commission sets policy for the State's overall Medicaid program and operates the Medicaid payment system.

### **Food Stamps**

The Food Stamp program helps low-income households meet basic dietary needs. The federal government fully covers the cost of benefits, and provides 50 percent of the States's administrative and fraud prevention costs. Texas Works advisors determine client eligibility for Food Stamps. The agency issued about \$1.5 billion in Food Stamp benefits for fiscal year 2002.

*Texas received more than \$1.5 billion in food stamps in fiscal year 2002.*

### **Family Violence**

The Family Violence program oversees contracts to community providers serving victims of family violence, and agency staff coordinate with the Texas Department of Protective and Regulatory Services on interagency strategies to serve at-risk families and children.

### **Other Programs**

The Office of Family Services administers the Immigration and Refugee Assistance program, which provides temporary cash, medical, and social services to eligible refugees. The Special Nutrition program provides food services to children, the elderly and low-income households. The Disaster Assistance program, independent from the Family Services Division, determines eligibility and provides grants to victims of disasters in Texas.

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<sup>1</sup> Texas Department of Human Services, Long-Term Care Summary, (Austin, Texas, Undated, provided to Sunset Staff September, 2002).

**SUNSET REVIEW OF THE  
TEXAS DEPARTMENT OF HUMAN SERVICES**

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