



Center for Public Policy Priorities

July 19, 2006

Dear Legislator:

Last week two groups of House Members wrote to HHSC Executive Commissioner Albert Hawkins regarding continuation of the Texas Integrated Eligibility and Enrollment Services (IE&E) project. These letters express two competing views. Representative Haggerty's group called on Commissioner Hawkins to terminate the contract with the Texas Access Alliance (anchored by Accenture) for non-performance and "commit the remaining resources to rebuild" the old system. Representative Davis' group urged Commissioner Hawkins to move forward with his effort to modernize Texas' public benefits system.

While both letters make valid points, we write to offer a different perspective. When HHSC announced its plans for a modernized eligibility system two years ago, we argued then that the main flaw in the new business model was the lack of a thorough staffing analysis—how many, how skilled?

Staffing shortages have plagued the system for years. Long before IE&E, the legislature was cutting staff. From 1996 - 2004, despite a steady growth in caseloads, the legislature cut eligibility staff 40%, doubling the workload. Nevertheless, with IE&E, HHSC announced its intention to cut thousands of more workers. HHSC took this step under legislative pressure to save money. This goal was simply unrealistic.

The legislature erroneously presumed that Texas could dramatically reduce the number and skill of staff even more by outsourcing to the private sector and "modernizing." As the attempt has shown, you must have an adequate number of skilled staff to run a complex eligibility and enrollment system.

The serious problems you are seeing are not simply transition issues. Indeed, HHSC has already acknowledged the need for better-trained staff. For this system to have any hope of working, HHSC must significantly increase the number of skilled staff—both for those functions done by public employees and those done by private contractors.

While we have focused in this letter on staff, IE&E also has technology problems. However, the point that we want to make today is that HHSC is working hard to meet unrealistic expectations—your expectations. The immediate issue is not public versus private, or old versus modern, but adequately staffed versus inadequately staffed.

Respectfully yours,

F. Scott McCown
Executive Director

C: Governor Rick Perry
Executive Commissioner Albert Hawkins