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## TIES team conducts regional sessions

by Cynthia Mugerauer, TIES Project Team

**D**uring the months of October, November and December, staff from the Texas Integrated Enrollment and Services (TIES) project conducted ten regional information sessions in the following cities: Lubbock, Midland, Harlingen, Tyler, Beaumont, Houston, El Paso, Austin, San Antonio, and Arlington.

The purposes of these sessions were to share information on the new TIES legislation, provide an update of current TIES activities, and gather input from stakeholders.

Attendees at the sessions included employees of the Texas Workforce Commission, Department of Human Services, the Department of Health, and other health and human service agencies, as well as representatives of a variety of community groups. These meetings, which have now been conducted in every region of the state, were also intended to communicate that the new TIES is an open process, and that its success depends upon the involvement of many groups of stakeholders throughout the state.

Structured discussions followed the presentation on the TIES project. Attendees at the meeting

were divided into three groups and asked to respond to several questions from the perspective of three major groups of stakeholders: clients, employees, and policy-makers. The questions were as follows:

- ◆ What is your vision for the new system—what should it look like?
- ◆ What are the critical factors that will define success?
- ◆ What are your major concerns about the project—the possible pitfalls along the way?

A detailed analysis of the results of the group session is underway. However, there were several major themes that were evident in every region:

- ◆ The hope for a true one-stop approach.
- ◆ Dignity and respect for the client.
- ◆ Fear of job loss by state employees.
- ◆ The need for policy integration among programs and agencies.
- ◆ The need for an outcome orientation—a focus on results.
- ◆ The need for common, integrated information.

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*On October 28, Health and Human Services Commissioner Dr. Michael D. McKinney submitted written testimony to a joint hearing of the Texas House of Representatives Committees on Appropriations and Public Health. His comments addressed the status of Texas' Medicaid demonstration waiver application and the new federal funds for children's health provided by the federal Balanced Budget Act (BBA). The following are summarized excerpts from his statements to the committee. A copy of his full testimony may be obtained by contacting the External Relations Department of HHSC.*

## Taking care of kids: A look at the needs of uninsured children

Following enactment of SB 10 by the Texas Legislature in 1995, the Health and Human Services Commission was directed to submit for federal approval an application for a Section 1115 demonstration waiver. The legislation's objectives included expanding Medicaid coverage of children up to 133% of the federal poverty level and allowing local delivery systems to administer the program for the new population. Local hospital districts, the City of Austin, and the University of Texas Medical Branch at Galveston (UTMB) agreed to supply the state matching funds in exchange. The result was to be some 385,000 additional children with health care coverage through the Medicaid program financed with \$352.3 million in funding entity and federal dollars in 1998.

Two years almost to the day after the plan was first submitted, HCFA notified the state that they would not approve the children's coverage portion of the Texas waiver as submitted. The issue identified in their letter was the plan to contract exclusively with the ten funding entities to provide coverage through the HMOs that they were establishing. That would have amounted to sole sourcing the Medicaid business for the new children. HCFA interpreted federal Medicaid rules as requiring not only a choice of providers but also requiring the state to provide a choice of at least two delivery systems.

The HCFA letter went on to encourage Texas to consider the

options available under the State Child Health Insurance Program enacted as part of the BBA. (The BBA gives the state three options for implementation: expanding Medicaid eligibility; creating a state-based insurance program; or some combination of the two.) In conversations with HHSC, HCFA staff indicated that, unlike under Medicaid, HCFA would allow sole sourcing under the BBA.

What this means is that we have an opportunity to meet the objectives of SB 10 by taking advantage of the BBA provisions. In fact, if we implement a State Child Health Insurance Program that incorporates the 1115 waiver proposal, the Texas Healthy Kids Corporation and the current Medicaid program, we will significantly reduce the number of Texas children without health insurance.

The bottom line regardless of which approach Texas chooses is three-fold: more Texas children with meaningful health care coverage; maximum use of available federal funds; and the commitment of local or state funds to the health and well-being of future generations.

We need to have an approved state plan prior to the end of the fiscal year if we want to retain access to the \$561 million in federal funds available to Texas in FY 1998.

I will do everything I can to help successfully implement Texas' plan, regardless of which approach you choose. ■



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## Contract to target Medicaid fraud

A new automation system will soon be used in the fight against Medicaid fraud in Texas. The Medicaid Fraud and Abuse Detection System (MFADS) contract has been awarded to a partnership of EDS, HNC Software, Inc. and Intelligent Technologies Corporation LLC (ITC).

In making the announcement, Health and Human Services Commissioner Dr. Michael D. McKinney noted that the aim of the procurement was to hire a contractor who offered automation systems and services that enhance detection, identification and investigation of fraud, abuse and waste in the Texas Medicaid program.

EDS, the main offerer, has experience in developing, enhancing and maintaining Medicaid Systems, including Medicaid Management Information Systems, surveillance

utilization reporting subsystems, management and reporting systems, third-party liability and recovery systems, decision support systems and data warehouse solutions.

HNC Software, Inc. is a leader in the application of fraud detection technology in client/server environments. HNC, and its wholly owned subsidiaries, Aptex, Retek and Risk Data, provide advanced decision software solutions in the areas of insurance, electronic payments, financial services, retail, direct marketing and educational publishing markets. HNC focuses its expertise in the server domain providing high performance data modeling, supervised and unsupervised neural network modeling, algorithm development and neural network processing.

Intelligent Technologies Corporation was founded in 1995 by technologists from some of the

nation's leading R&D and aerospace corporations. The ITC team has developed neural networks for wide-ranging applications. At the core of ITC's process is neural network technology, an advanced software technology that has saved businesses and consumers millions of dollars annually by detecting and helping to prevent fraudulent transactions.

HHSC's Medicaid Fraud and Abuse Detection System is mandated by Senate Bill 30 (75th Legislature) and will be operational January 1, 1998.

"The new system is expected to improve the state's ability to detect fraud, abuse or waste in the Medicaid program," says McKinney. "It is also expected to increase the frequency, scope and volume of recoveries and cost savings to the state," adds McKinney. ■

## Guardianship advisory board appointed

A Guardianship Advisory Board charged with the responsibility of enhancing the state's guardianship efforts has held its first meeting in Austin. Created by Senate Bill 586 (75th Legislature), the Board's mission is to advise the Health and Human Services Commission on guardianship services.

Appointed by probate and county judges statewide, Board

members represent the 11 health and human services regions.

Members include: Judge Pat Ferchill from Fort Worth and Deborah Green, attorney from Austin, who have been elected to co-chair the Board; Dr. David Self, psychiatrist from Jacksonville; Terry Hammond, attorney from El Paso who specializes in guardianship law; Pam Kelley, with Randall County

Court at Law in Canyon; Judge Ray West, Probate Judge from Brownwood; Judge Michael Brown, County Judge from San Angelo; Mark Stanton Smith, attorney from San Antonio; Joseph Broussard, attorney from Beaumont; Helen Lynn Mahaffey from Corpus Christi; and Karen Blomstrom, court investigator from Houston. ■





# The Texas Integrated Funding Initiative

by Ann Stanley, Financing Specialist

**T**he Robert Wood Johnson Foundation Mental Health Services for Youth Replication Grant is used to support the Texas Integrated Funding Initiative, (TIFI). The purpose of the TIFI is to develop local organized service delivery systems for children with multiple needs which are family based, accountable for outcomes and which maximize all funding sources. In the implementation of the grant the TIFI adheres to the following principles:

- ◆ Families are important and necessary partners in the development and implementation of an integrated service delivery system.
- ◆ Local control allows for better decision making and enhances community development.
- ◆ Managing funds and providers through a single local entity will produce a more accountable system of care with better overall outcomes for children and families.

The TIFI currently has three pilot sites: Travis County, Brown County and the Riceland region south of Houston. Each site offers unique opportunities and challenges in testing new financial and systems development approaches.

## The state and local issues

Texas, like most states is faced with the dilemma of serving children and families whose needs

encompass many systems with a funding structure which is fragmented and categorical. Past efforts in collaboration have increased information sharing but have done little to increase the notion of *shared resources*. In addition, the public systems serving children spend the majority of their mental health dollars on high cost residential and inpatient care without the information necessary to determine the overall effectiveness of those interventions. Each of the pilot sites is using the TIFI to get out of categorical funding and to build community based services. In addition, each one of the sites has local issues which have shaped the direction of the pilots.

In Travis County the child serving agencies spend approximately \$11 million on residential care for children with emotional disturbance. About one third of the children placed are through Juvenile Justice. According to Claire Burnett, Director of Residential Services for Travis County Juvenile Probation, the number of children placed in residential care has increased steadily for the past seven years. Due to this increase, Juvenile Probation has repeatedly faced funding shortfalls and has been forced to make additional mid year funding requests to the County Commissioners. Ms. Burnett sees the TIFI pilot as a means to reverse the trend of increasing reliance on residential care. In addition, Ms. Burnett views the pilot as an



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opportunity to, “create community responsibility for children and families whose needs cross large bureaucratic and service boundaries.”

The focus on decreasing reliance on residential services is also present in the Riceland pilot. In Texas, funds for residential treatment are primarily within the Child Welfare and Juvenile Justice system. A family is often faced with

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the very traumatic decision of relinquishing custody of their child in order to receive residential services. In 1995, it is estimated that 250 Texas families, desperate for help, gave up custody of their children. Linda Fitzwater, Program Director for Child Protective Services, in the Riceland region, is concerned about this disturbing trend. Ms. Fitzwater supports the Riceland pilot because she believes that offering intensive community services as an option to residential care will keep more families from having to turn to such dire measures.

Brownwood is a unique Central Texas community which has developed innovative approaches to financing and delivering services. Since 1995 Brownwood has used the Chamber of Commerce as the local fund agent for state appropriated children’s mental health funds and federal family preservation and support funds. The funds are overseen by a community advisory group, and have been used to develop the Family Services Center, (FSC). Located in a renovated school, the Family Services Center is “one stop” community center, open to everyone and offering a full array of services. The TIFI has worked with the community to build on the inherent strengths of the current system by formalizing relationships, increasing the type and amounts of funds pooled and developing a structure to provide single accountability and management responsibility. The first step that the Brownwood community took was to transform the FSC into a non profit agency with a board made up of a equal number of contributing agencies and business leaders. Michael Redden, the current Administrator for the Family Services Center, acknowledges that “while there is successful collaboration among the agencies the greatest challenge ahead will be the balancing of business approaches with social service values.”

#### **The new interagency agency**

In keeping with the principle that local control will produce better outcomes on every level, the TIFI has supported the sites in creating governance structures which build

on their current interagency infrastructures. Rather than designate a lead agency to receive pooled funds, all the sites chose to create a new locally controlled non

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profit agency which can receive public funds. In Travis County, this agency, known as the Travis County Children’s Mental Health Partnership is made up of representation from Child Welfare, Education, Mental Health, Juvenile Justice, City and County Health and Human Services and Consumer Family Members. In Riceland’s non profit, Families First, there is a similar composition with the addition of participation from the local Substance Abuse Council. As mentioned previously, the non profit formed in Brownwood, the Family Services Center, has much broader representation with participation from private business and community leaders. In all the sites, the purpose of these new interagency non profits is to:

- ◆ Develop the structure for purchasing and/or arranging

*See Texas Integrated Funding, page 7*



**The committee has been most helpful to HHSC in the implementation of Medicaid managed care in Harris County.**

## **Regional committees are key to Medicaid managed care initiative**

House Bill 2913, passed by the 75th Texas Legislature, directs the Texas Health and Human Services Commission (HHSC) to appoint a Medicaid managed care advisory committee no later than 180 days before beginning to serve clients at each health care service region through managed care. The committee's role is to comment on the implementation of Medicaid managed care in the region, recommend to HHSC ways to improve Medicaid managed care and seek input from the public. Committees are to meet at least quarterly during the first year after their appointment and at least annually thereafter. Each committee will be composed of representatives from the region, including hospitals, managed care organizations, primary care providers, state agencies, consumer advocates, clients, rural providers, long-term care providers and specialty care providers.

Prior to this legislation, the first advisory committee was created in Harris County in November 1996. The STAR/STAR+PLUS Advisory Committee is composed of consumers, providers, community leaders and others interested in the implementation of Medicaid managed care in Harris County. Committee members were nominated by a variety of groups and selected based on interest and willingness to serve, representation of cultural diversity in Harris County and focus on the

population to be served in the service area. The committee has been most helpful to HHSC in the implementation of Medicaid managed care in Harris County. It has identified issues and developed solutions to operational barriers of the project. Two subcommittees were created in April 1997 to look into issues related to children with special health care needs and behavioral health services.

Staff from HHSC, the Texas Department of Health and the Texas Department of Human Services have been meeting with the advisory committee on a regular basis during the start-up phase of the project. The contracted health plans as well as the enrollment broker work closely with the committee. Meetings cover such topics as updates from state agencies on implementation issues like readiness reviews, enrollment activities and changes to the project timeline. Committee accomplishments include the development of STAR+PLUS Partners which helps educate and provides information on the project to the community and the creation of an ombudsman program to assist members through the maze of managed care. Local involvement in the implementation of the project helps better meet community needs.

Work is underway to appoint advisory committees in other existing managed care service delivery areas. ■



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# The Texas Integrated Funding Initiative

*Continued from page 4*

- ◆ Determine the funding strategy, including rate setting.
- ◆ Designate funds to the fund pool.
- ◆ Ensure family representation and voice.
- ◆ Establish share outcomes.
- ◆ Designate target population.

## The funds

At each site the funds which are being pooled include state, local and federal dollars. In Austin, an equal amount of funds is being allocated from each agency. Brownwood is accepting available funds of any amount from contributing agencies. In Riceland the methodology for fund allocation has not been determined.

The sites have taken different approaches to fund management. The Travis County Children's Mental Health Partnership is releasing a Request for Proposal for an Administrative Service Organization. The Family Services Center Inc., in Brownwood, is developing the care management function internally and contracted for fund management. In Riceland, Families First is developing administrative capacity internally, utilizing existing expertise within the agency.

## The future

All the sites are planning for full operation of their models by

January of 1998. Each site has identified shared cross agency functional outcomes and process measures. Dr. Jim Schwab, from the University of Texas School of

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**It is anticipated that the strategies to design funding structures and service systems at the pilot sites will serve as the template for future expansion and development in other sites in Texas.**

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Social Work, is using the input from the local sites as the basis for the development of the evaluation design.

Each of the Texas pilot sites has evolved to meet the needs and demands of a changing and diverse human service environment. This was possible because the participating state agencies have supported and valued a locally driven initiative. It is anticipated that the strategies to design funding structures and service systems at the pilot sites will serve as the template for future expansion and development in other sites in Texas. ■

## TIES team conducts regional sessions

*Continued from Page 1*

Those groups that were asked to represent the policy-maker perspective cited cost-savings and a focus on results such as customer satisfaction and employment - outcomes as major goals. Employee groups were concerned about policy integration issues, the need to ensure that clients received needed services promptly, and the possible loss of state jobs. The client groups tended to emphasize a fair, user-friendly system that respects the dignity and individuality of each client. Many groups identified turf issues among agencies, confidentiality concerns, and trying to move too fast as possible barriers to successful implementation. Rural representatives were especially concerned about access and availability of services in rural areas and urged the project team to ensure that rural service levels were maintained under the new system.

Gerry McKimmey, the TIES project director said, "Our team was able to meet with people from around Texas who will be affected by whatever changes occur. We had some great discussions, and received information that will be vital to development of the plan. We appreciate the positive attitude and the warm welcome we encountered throughout the state."

In general, attendees were appreciative that state agencies were cooperating rather than competing with each other in the new TIES process and that local stakeholders were being included early in the discussion of how TIES should be designed and implemented. ■



# Fighting ulcers with antibiotics

Spicy foods. Stomach acid. Stress. Alcohol. These are believed to be some of the major causes of stomach ulcers among Americans. However, recent discovery of the bacterium *Helicobacter pylori* has dramatically changed these medical beliefs.

Doctors are now able to treat about 90 percent of all stomach ulcers with antibiotics. The bad news is that many ulcer sufferers have not heard the news.

The U.S. Centers for Disease Control and Prevention has launched a nationwide public information effort, in partnership with other governmental agencies, educators and private industry, to teach the public about *H. pylori*, its diagnosis, treatment and care. The Texas Department of Health (TDH) is among the agencies participating in the campaign.

Dr. Kate Hendricks with TDH indicated that even some physicians and health care personnel have been slow in urging patients who might have *H. pylori* infections to be tested for the bacteria. There are several kinds of tests that can confirm such an infection, ranging from a simple breath test to more extensive exams.

If the tests confirm *H. pylori* infection, the physician can prescribe antibiotics and an accompanying antacid medicine which usually can cure the infection, including any stomach or upper intestinal ulcers.

The long-term consequences of *H. pylori* infections are still being studied. Beyond chronic pains, ulcers and stomach inflammation, there is some evidence that stomach cancer may be linked to long-term *H. pylori* infection. ■

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*Helping people help themselves*

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