



Presentation to the Transition Legislative Oversight Committee

Executive Commissioner Chris Traylor
Chief Deputy Executive Commissioner Charles Smith

May 18, 2016

Transition Guiding Principles

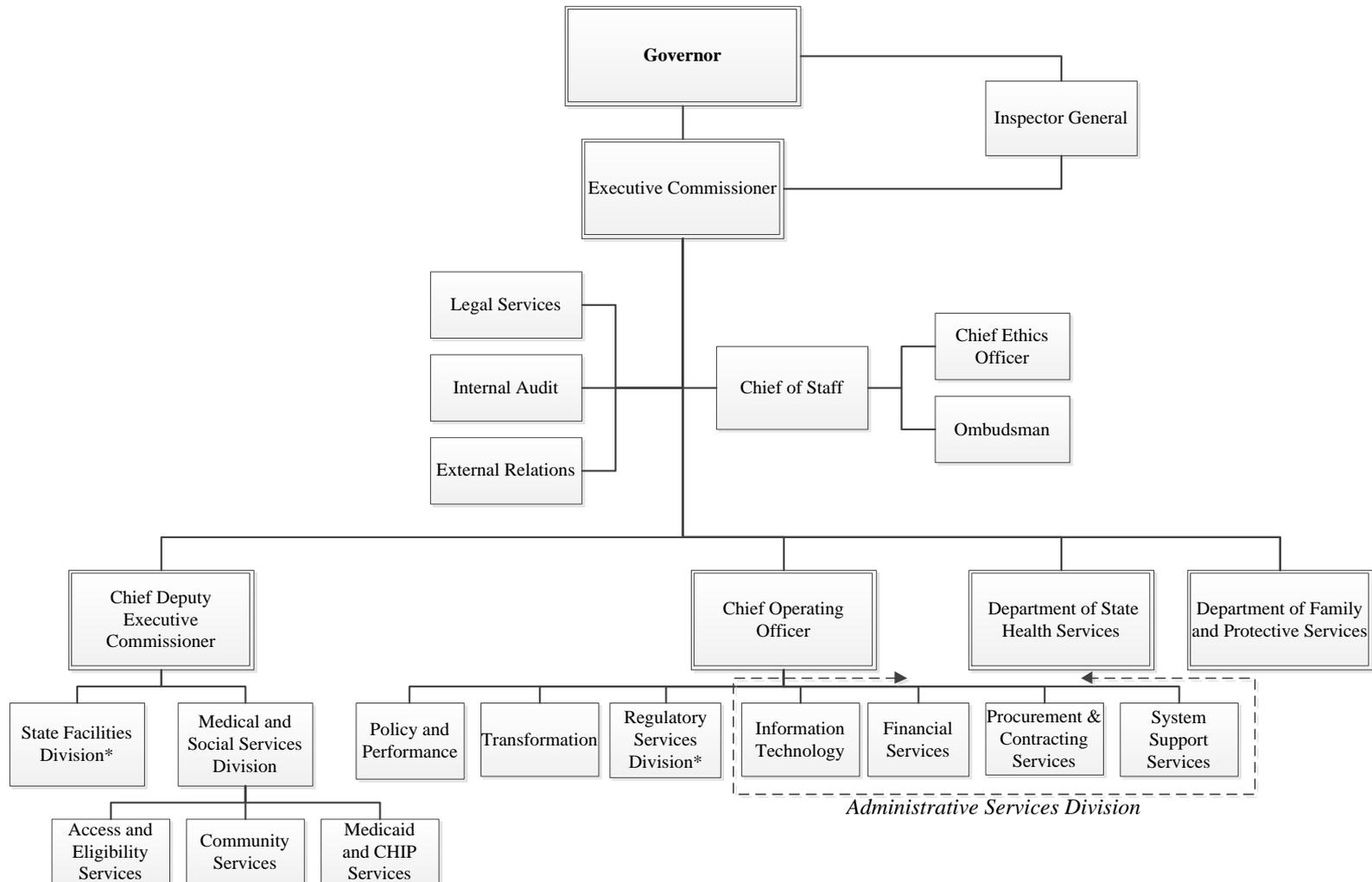
Transformation activities will produce an accountable, restructured HHS system that:

- Is easier to navigate for people seeking information, benefits, or services;
- Aligns with HHS' mission, business, and statutory responsibilities;
- Breaks down operational silos to create greater program integration;
- Creates clear lines of accountability within the organization; and
- Develops clearly defined and objective performance metrics for all organizational areas.

Organizational Overview

- Creates a Chief Operating Officer.
 - Oversees administrative services.
 - Oversees regulatory functions, providing separation from programs.
 - Ensures consolidated administrative services remain connected to service delivery.
 - Ensures a culture of continuous improvement.
- Establishes a Medical and Social Services division that is easier to navigate for people seeking information, benefits, or services. Includes:
 - Access and Eligibility Services
 - Community Services
 - Medicaid and CHIP Services
- Places Medical and Social Services division and State Operated Facilities division under the Chief Deputy Executive Commissioner.
 - Ensures coordination between these two service delivery areas
- Reduces the number of direct reports to the Executive Commissioner.

HHS System



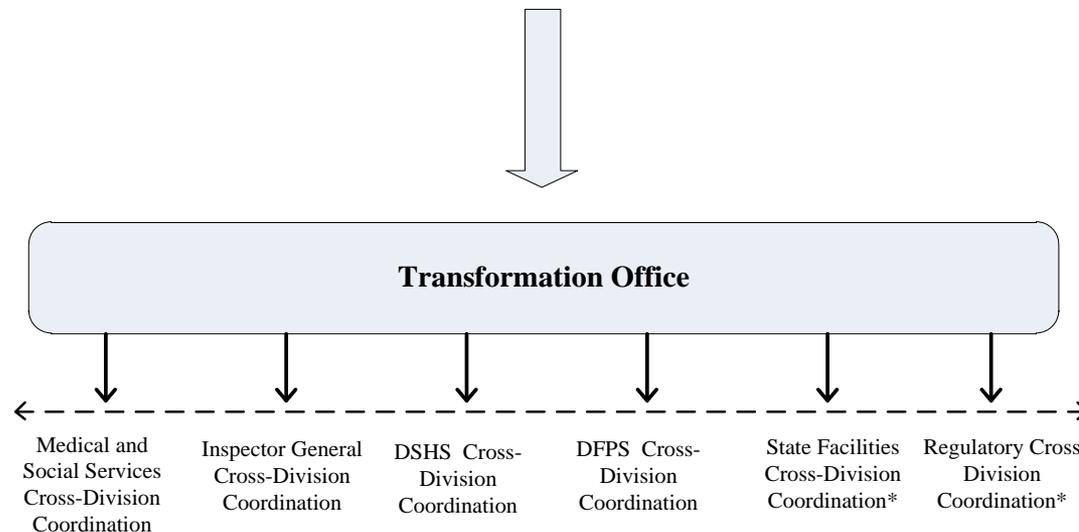
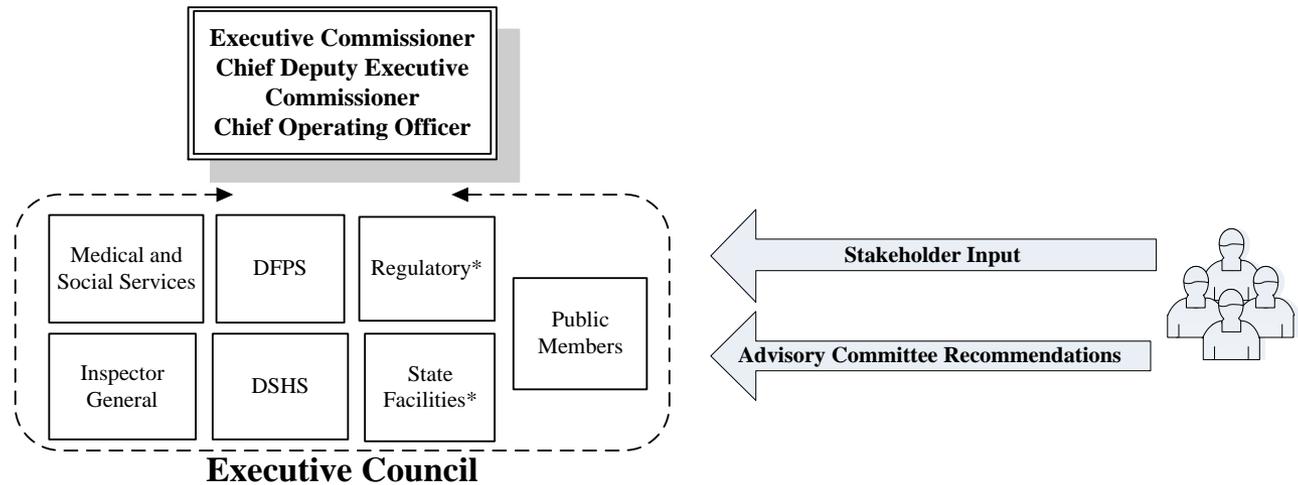
Transforming Operations

Transformation will occur by changing the way we operate.

- The HHS Executive Council will be a place for stakeholder input and visibility into transformation initiatives occurring within the Health and Human Services System.
 - Begins operations September 2016.
- The Transformation Office and Policy and Performance Office will ensure continuous improvement based on data driven decisions.
- Each division will have an office of cross-division coordination and improvement to focus on system improvements and coordinate with the Transformation Office.

Executive Council

The Executive Council meets at least quarterly to discuss and receive public comment on system improvement and transformation projects, program operations, proposed rules, advisory committee recommendations, legislative appropriations requests, and other items.
**Effective 9/1/17, State Facilities and Regulatory divisions will replace DADS on the Executive Council.*

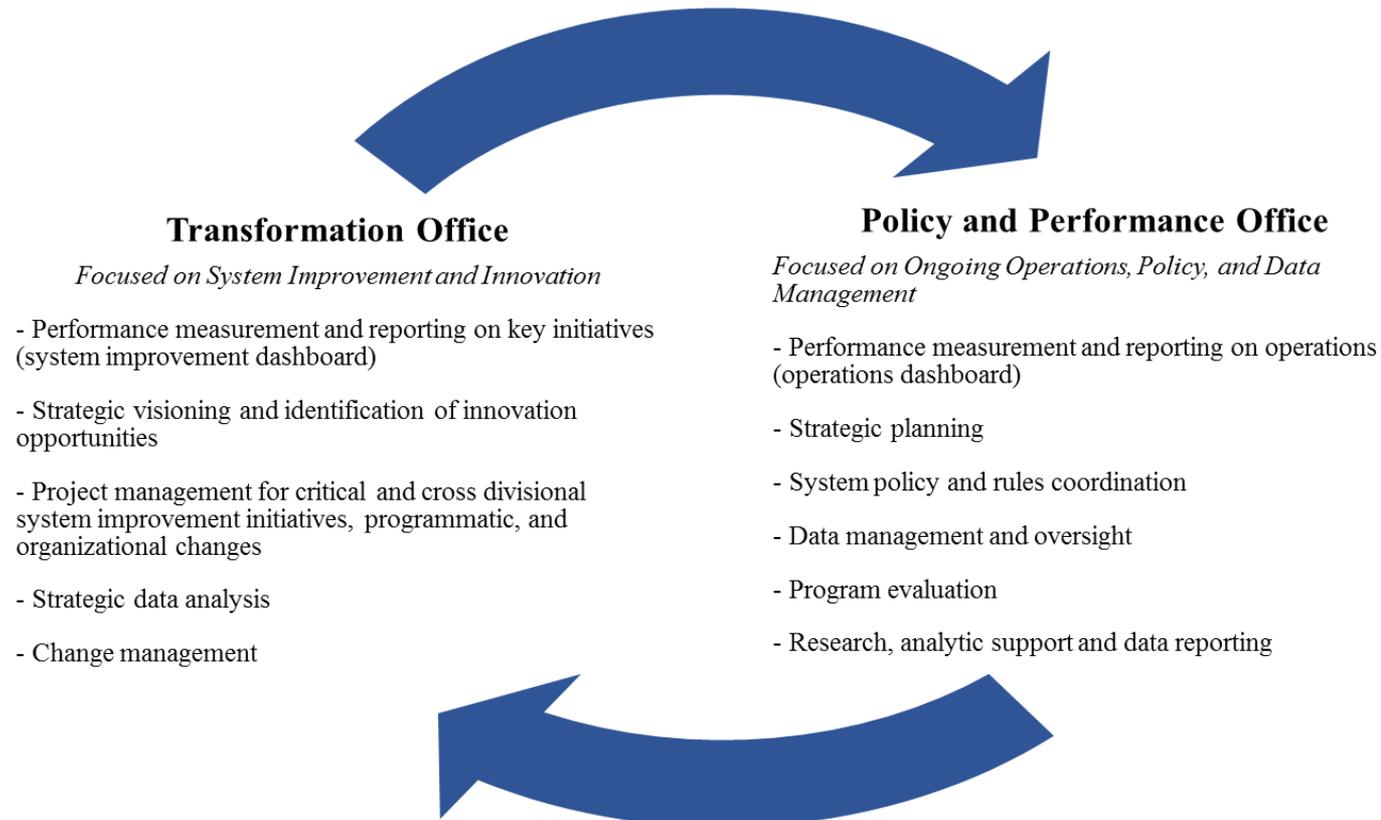


The Transformation Office manages cross division system improvement and transformation projects.

Transforming Operations

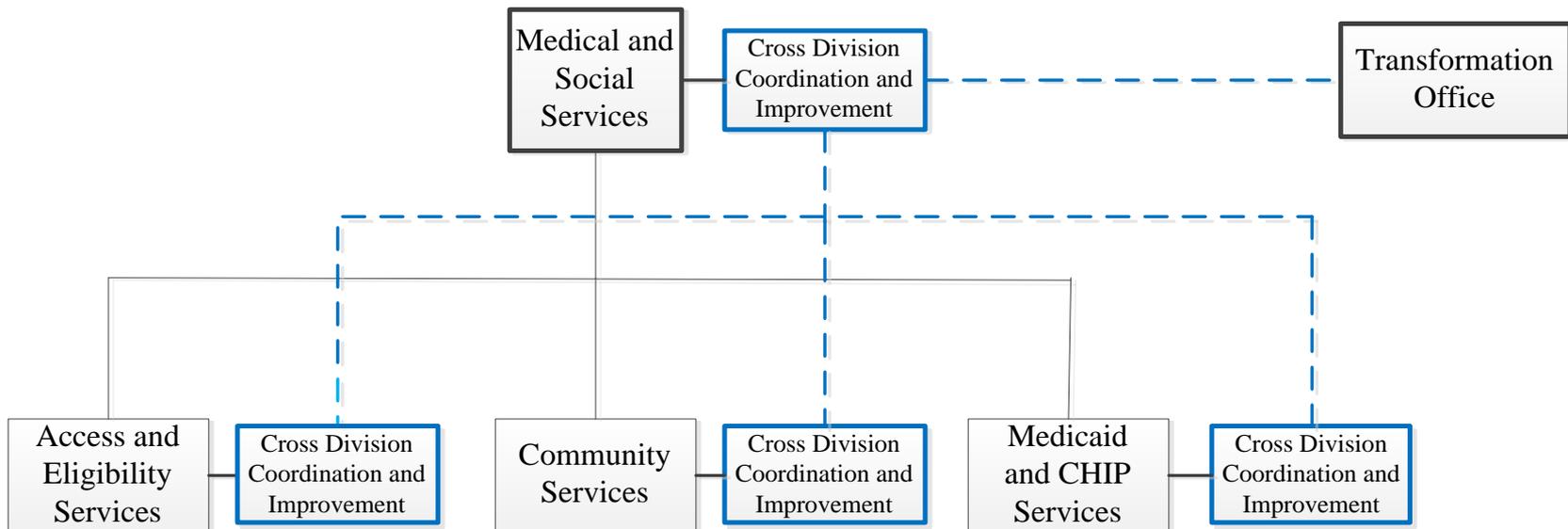
Chief Operating Officer

Goal: Building a system of continuous improvement based on data driven decisions.



Cross Division Coordination

- The Transformation Office manages cross-divisional system improvement and transformation projects across all divisions.
- Each division is responsible for system-wide projects as well as their own improvement and transformation projects. Below is an example for the Medical and Social Services division.

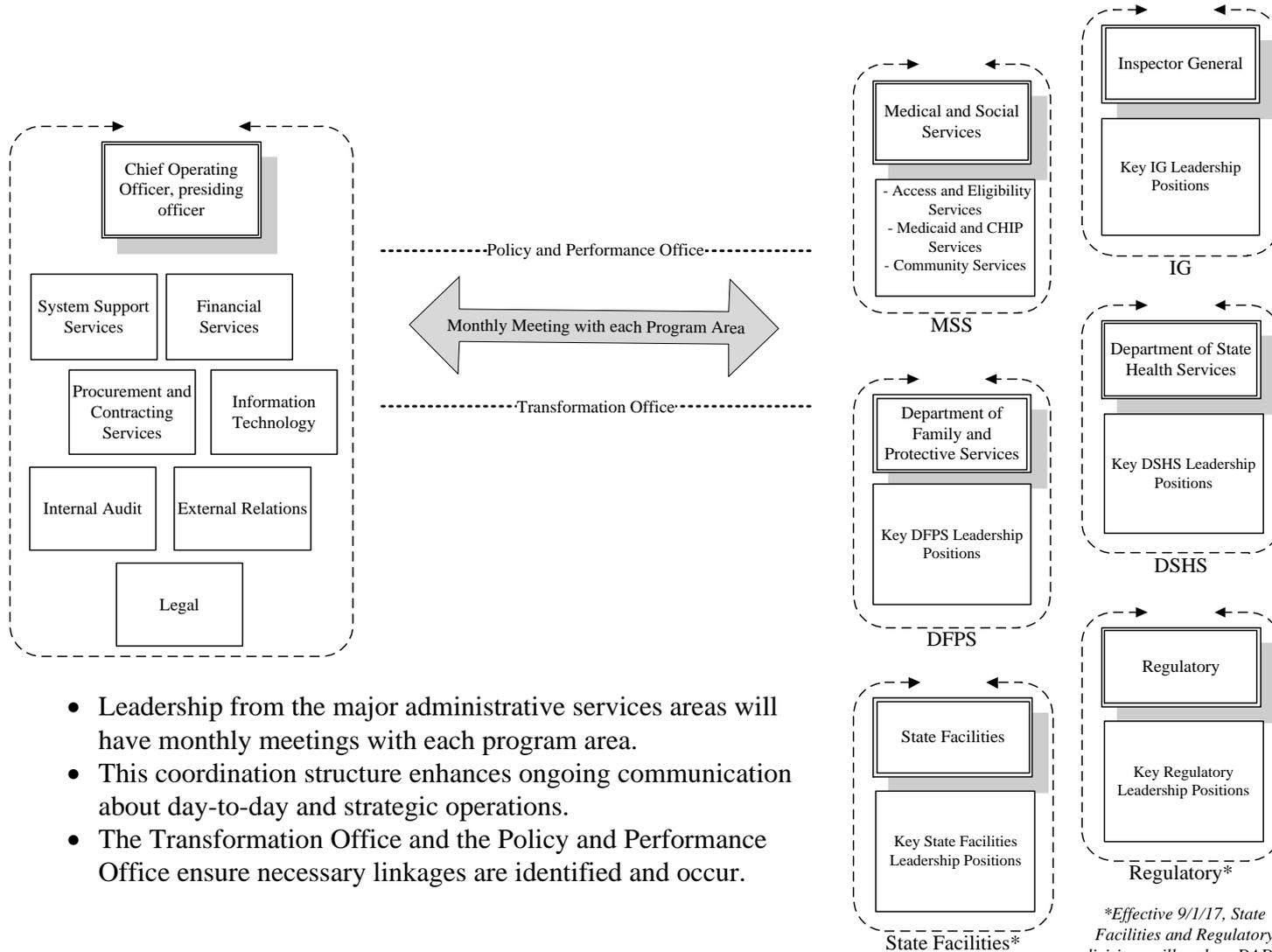


Transforming Operations

Programmatic and administrative coordination will be facilitated through the Chief Operating Officer.

- Monthly meetings between each programmatic area and the administrative services areas will occur.
- Designed to retain administrative focus on supporting the programs' needs.
- Transformation Office and Policy and Performance Office will participate to ensure that necessary linkages and coordination are occurring.

Transforming Operations



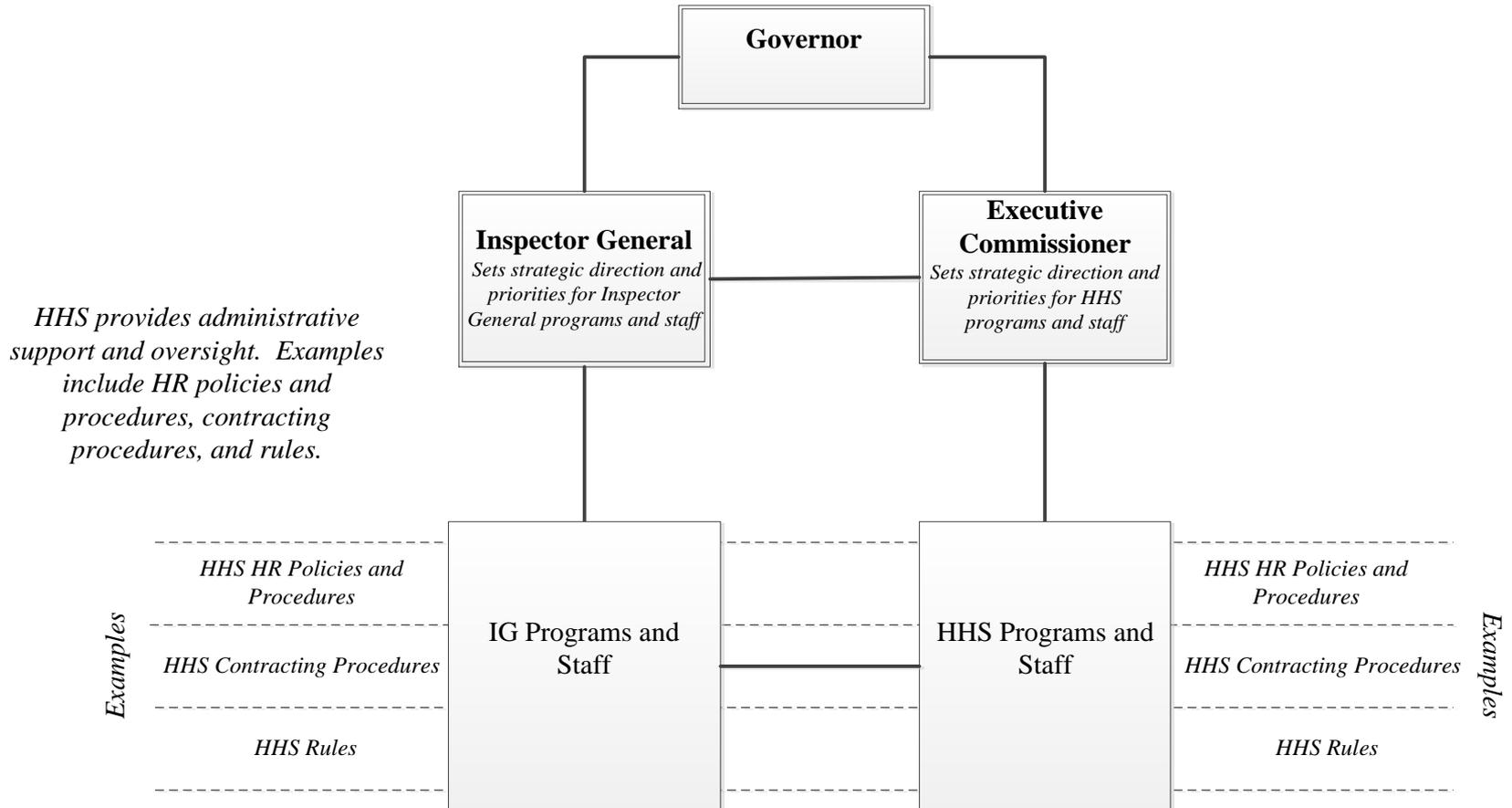
- Leadership from the major administrative services areas will have monthly meetings with each program area.
- This coordination structure enhances ongoing communication about day-to-day and strategic operations.
- The Transformation Office and the Policy and Performance Office ensure necessary linkages are identified and occur.

**Effective 9/1/17, State Facilities and Regulatory divisions will replace DADS.*

Transforming Operations

- Clarity of roles and responsibilities between the Executive Commissioner and Inspector General (IG) will be documented in a Memorandum of Understanding.
- The Inspector General, under the direction of the Governor, establishes priorities for IG programs and staff.
 - The HHSC Executive Commissioner and Inspector General coordinate regarding those priorities.
 - Administrative support and oversight is provided by HHSC.
 - i.e., Contracting and procurement support and oversight is provided by HHSC Procurement and Contracting Services. Contracts over \$1 million require the approval of the Executive Commissioner.

Inspector General Structure



Next Steps

Solicitation for vendor support to assist HHSC with transformation closed April 22, 2016 and proposals are being evaluated. HHSC anticipates vendor assistance starting July 2016.

The RFP requested proposals to:

- Assist with the development of a performance measurement system;
- Assist with the development of a revised cost allocation plan that will be submitted for federal approval;
- Assist with development of a change management and strategic communication plan; and
- Provide technical and project management assistance for transformation.

The Transition Plan is being updated to include additional information regarding:

- The HHS Executive Council;
- Inspector General / HHSC Clarification of Roles and Responsibilities;
- Administrative Services Consolidation;
- Medical and Social Services Division;
- Vision for Policy and Performance Office and Transformation Office; and
- Performance measures for transformation.

The Transition Plan will be published for public input by mid-July.