

TURNING THE ENTERPRISE NAVIGATING THE CHALLENGES

A Conversation with HHSC Executive Commissioner Tom Suehs

Taking on the task of running an organization comprised of five agencies with 54,000 employees and an annual budget of \$30 billion in state and federal dollars is a daunting enough task. Adding the pressures of additional workloads brought about by the huge surge in people seeking assistance due to the recession, along with the pending impact that may result from health care reform, Texas Health and Human Services Executive Commissioner Tom

Suehs has his hands more than full. But that has not caused him to lose focus on the real potential he sees ahead for his organization.

While planned technology improvements will help HHSC, Suehs is taking a back to basics approach with his employees, opening lines of communication that promote teamwork along with a renewed focus on old fashioned customer service. These steps have begun to have a positive impact in the short time Suehs has led the commission.



By Rick Rutherford

SE, CHALLENGES:

You have had an interesting career in the field of Health and Human Services, what motivates you to be in state government and public service?

I grew up in a family that was very much public service oriented, so it's very ingrained in who I am – to be

a public servant. Also, I like policy debates and policy discussion. That motivates me more than anything. It is very rewarding to be able to identify the issues and policies that impact the lives of many, many hundreds of people.

I don't know of any other area in state or federal government that is more challenging than a health and human services enterprise. We touch someone's life in the state of Texas every day. If you think about it, 100 percent of the population is touched by our agencies daily. If you think of the area of health with respect to hospitals and restaurants, we are touching somebody's life in this state every day.

The HHSC Enterprise consists of five agencies, over 54,000 employees, and a \$30 billion annual budget to administer more than 200 programs statewide. What is your vision for HHSC's future?

I want us to get back to customer service as our number one priority. To accomplish that, I must focus on my employees, too, because they are the contact with the customer. I think the agency has at times grown without as much focus on the customer.

We have the terms client, patient – we have all of these terms. Well, they are customers. I want us to focus on the needs of the customer and be successful doing so. I want us to take care of the needs of the citizens of Texas in the most efficient manner possible. And with that I need a quality workforce. HHSC cannot have customer focus without focusing on our employees. They go hand-in-hand. So when I am asked about my vision, it is customer service, and that means making sure I have an adequate, quality, and motivated workforce.

How do you motivate your workforce to focus on quality customer service?

By example. I don't expect any more from my employees than I would from myself. I was just discussing this with my HR director in regards to eligibility workers. I think we have put our eligibility workers almost in the position of being an assembly line worker versus having them look at this as a professional career, which is what I want them to see. I want to work with junior and community colleges around the state to create an associate's degree program or some sort of degree track for individuals who want to get into the health and human services field. So, I want to create professionalism within the system. This will help us meet the challenges ahead.

Also, there are generational differences in the workforce to consider. I have a 32-year-old son; two daughters ages 30 and 18, I think I understand part of their generation issues. They are not as people oriented as when I grew up. Technology has made things a little less personal. So I think no matter what technology we use, at some point it has to be a people-to-people business. That is where I think leading by example comes into play. Since I have taken over as Commissioner, I try to go out and meet with my field workers regularly. I am not going to ask my field workers to do something that I am not willing to do myself - or anybody else in this organization, for that matter.

Does that mean changing the culture of your team here at the agency?

I think in changing the culture, every other word needs to be customer service.

How do you get people to view public service as a career path and not seeing their position as just a job?

They have to see that there is a career track with a future, and somehow in that career to be able to see results that matter. Sometimes writing a policy for Medicaid may impact hundreds of thousands of people. That policy writer never sees the people that get impacted. So I have asked my staff, if you are in my rate setting division or in my policy division for eligibility, you need to go out into the field once a month and see our clients. It's getting people back in contact with the client. It doesn't matter what position they have in the agency. For example, as the Executive Commissioner I should not just stay in my office, I need to go out to talk to clients. I shouldn't be writing policy if I haven't been out there. I think that is part of management...making sure we're making contact.

You referred to an accreditation program for employees through junior colleges. Has that program been put in place?

I actually just presented the idea at a meeting in December. Our HR director has been having meetings and coming back with information to put together an action plan. We want to start the process. I am not sure how it will work. For example, junior colleges, like Austin Community College (ACC) have a variety of programs for nursing. They have a nurse aide certification, nursing certification, nursing home administrator certification. ACC offers 200 different certifications, so it makes sense to partner with junior colleges.

I have had dialogue with Dr. Kenneth Shine, Executive Vice Chancellor for Health Affairs, about partnering with UT Health Science System for continuing medical education for our employees who are doctors, nurses, or dentists. We need to partner with the medical schools to provide continuing education to our staff. They are the professionals. I see partnering with all of the levels of higher education – the junior colleges as well as the medical schools.

Do HHSC state employees play a vital role in realizing this vision? What do you believe is your responsibility to the HHSC employees?

I have to be able to articulate the vision to them. I have to be willing to live the vision myself so that they can see it is real. I am not a pie in the sky type of guy. When we start building our budget requests my priorities for shaping the Health and Human Services Commission is going to be back to the basics - back to a focused vision. We can't do everything for everybody, but what we do, we need to do with quality. If a national health reform package passes, it would significantly change our life here in all aspects. I also recognize the budget crunch the State is in. It is going to be a difficult time for state agency leaders, so I need to be aware of this and protect the critical employees that I need to have to accomplish our mission during the budget crunch.

What are the challenges you see ahead?

I think the biggest challenge is still the possibility of national health care reform. Then the economic downturn had a double impact on us. We get hit when the economy has a downturn by the increase in the number of people applying for assistance, and at the same time it creates a double hit because it starts restricting the state resources that are available for us to do our job. So I have more people applying for assistance and I know the legislature has difficult budget decisions to make. So there is pressure on me, or will be pressure on me not to spend money, while at the same time I must process eligibility applications. I cannot redesign the health and human services delivery system without resources.

We still don't know if a national health care reform plan will pass or what it would look like. How does that affect your planning?

Somebody asked how much staff I am going to need to implement health care (reform). I don't know. It depends on what the bill looks like and what our approach is going to be. I can tell you I am going to need a lot more staff if you are talking about making 2 million more people eligible for Medicaid. We have 3 million people currently on the system, and you are talking about adding 2 million more. That's pretty big growth to take place in the next three to four years. We don't know how many eligibility workers we are going to need. We're doing a lot of workload studies to see how many. For example, for every 800 people applying for assistance how many workers do we need? I think we have to have more efficient workload studies to give the legislature a better estimate on staff.

This past year we have seen one of the worst economic downturns in our country's history and nationwide the need for client services has skyrocketed, especially in the areas of food stamp benefits, Medicaid, and other social services. The HHSC eligibility workers in these programs are facing large workloads. How is HHSC handling this situation?

The food stamp program has seen the biggest impact, with a large volume of people applying for food stamp assistance. At the same time we have more people applying for Medicaid than we have had in the past. Both of those areas are simultaneously impacting our workers. Given that workload, I try to get out to a field office once a week. When I go out, I see 200 people in the lobby of an office.

Our offices were not designed for this many people. It has put a stress on our physical offices and on our employees. But even with those stresses, I have been so impressed by our employees' willingness to roll up their sleeves and get the job done even if it requires working extra hours. I have been very impressed by my employees even though I do get public complaints about us not treating clients well. That's such a small part of what goes on. When I walk around an office and try to meet all of the staff, I am just so impressed with what they are doing in a difficult economic time. Most of them are troopers who are in it for the long run. And when I come back from one of those visits I immediately start trying to determine ways to reinforce that attitude everywhere.

Eligibility workers seem to be taking the brunt of the increased demand for services. What are you doing to help keep them motivated and avoid burnout?

I help them by trying to create new and innovative ways to reward the staff - from little things like employee recognition to creating a commissioner's challenge for the field units

to improve quality and productivity. We need to have great reward and recognition systems. People are motivated in different ways. Some people are motivated strictly by cash rewards and some by a pat on the back. Well, I think I should be using multiple ways to reward employees. I need to have high expectations. Most of what I see out there is that employees want high expectations. It's as simple as "tell me what you want me to do and I will do it." But also they want to be rewarded, and sometimes it's a pat on the back and sometimes it's proper compensation. That is why it is going to be a high priority for me to work with TPEA and other organizations to try and get funding for salary increases and for rewarding productivity and performance.

How can professional associations like TPEA help you achieve these goals?

It is a continued effort to educate individual legislative members on

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how a happy workforce is a productive workforce. I would rather have a 90 percent staff rate in the field than a high vacancy turnover rate because it costs the state more money for training new hires. It takes four months to train a new eligibility worker. I would rather take that training money and reward staff for productivity, and I think TPEA helps to educate members of the legislature. Also, they give me creative ideas on what other organizations or states have done on how to reward and motivate staff. I am not a motivational expert.

During previous legislative sessions with the intent to improve services, legislation was passed to privatize and outsource the eligibility determination process. Many experienced state employees left with the news of pending layoffs. What impact has that had on the challenges you are facing today?

I think the reduction in staffing that was assumed in one of the budget decisions had a very, very negative impact on this agency because it created the turnover you just referred to. Now, I don't think that was privatization, per se. I think the budgetary decision assumed we would get increased productivity if HHSC did certain things with privatization. Medicaid and health and human services to some extent have always had some degree of the private sector performing functions for us. For example, we don't perform any nursing home care. The private sector provides the nursing care. We don't hire physicians to provide care. We use private sector organizations. We never operated the CHIP (Children's Health Insurance Program) eligibility call centers. It's been done by the private sector.

I think the issue I have is that I want to have a qualified and productive staff. The staff functions that we do better need to stay with HHSC. If there is a corporation, a non-profit group, or a for-profit group that can perform a function better, then we should partner with them. But I am not going to do privatization for the sake of privatization. I think the eligibility process is clearly a function of the state. There are technology companies in the private sector that stay up with technology changes faster than the state can. Those are the things we should buy from the private sector. My core competency is my direct care staff. And eligibility, in my mind, defines the direct care staff.

What are your thoughts of the turnover rates throughout all state agencies and the brain drain that comes from talented people leaving for the private sector?

I have two levels of concern. One is going back to what I discussed earlier about eligibility workers and creating a career path for this profession. We need to do the same for supervisory jobs. We promote very good front-line workers, but we haven't always invested enough in staff development and training for them to develop the needed supervisory and managerial skills. I have reorganized a whole division to create a new enterprise-wide staff development system. As I mentioned earlier, I want to link the medical schools and universities with us. I want to help people earn advanced degrees. If I have a position where having an MBA will assist HHSC, I want to help staff get an MBA. I want to get back to where my

staff development is beyond just basic job skills training. We need to include training on how to be a great supervisor and how to be a great manager. These are important skill sets.

I was lucky when I started out in the '70s because we had commissioners and deputy commissioners who saw the need to invest in staff. The Legislature gave the agencies a lot of flexibility to invest in staff. We could send them to get an education. Send them to get a masters degree. I want to get back to investing in staff and improving job performance and knowledge. I think someone is going to stay with me a lot longer if I am investing in their career because they see that I believe in them. And I want to believe in them and for them to be successful. And for me to be successful they need to be able to move up in their career through advancement.

Do you see a continuing education/professional development program available to everyone or are you thinking of it more as an incentive for your star employees?

I haven't really got that far down the road with the idea, particularly in the medical field. I want to work towards having positions at state facilities linked with a university system to give an image of quality. In recruiting, I'd like to have the best possible people providing continuing education. There are studies that say a new graduate from medical school really knows more because of their technology aptitude than somebody who graduated 20 years ago. I don't know if that is right or wrong, but I know that I want my doctor doing continuing education. I want the education to be the latest and greatest coming out of the medical schools. I want the same for our staff. I don't want the state hospitals to be viewed as second-class. I don't want them to be considered a second tier health delivery system. I want them to be first tier. I want them to be seen as a place to go for good health care.

What role will the TIERS (Texas Integrated Eligibility Redesign System) system rollout have on the eligibility determination process in the future?

We have two eligibility systems now. The SAVERR system was designed in the early '70s. I don't have big enough band-aids to keep SAVERR running. TIERS is the system designed to replace it. The number one thing I get from workers going out in to the field is let's get TIERS rolled out. So I have to get TIERS rolled out. TIERS will give us a more modern system, but it's not going to replace people. There will be no job reductions when we roll out TIERS. TIERS may actually need more staff to support it. It is a more complicated, intense eligibility system. So how does TIERS play a role? I have to get TIERS rolled out in the next two years because I have to get off of using two systems. I have to have one eligibility system. We have to fix the quirks in the TIERS system, which we are working on. I have to get it rolled out and accepted by the workers. I have to get my workers trained on it. If I don't have a clean eligibility system before health care reform takes place, I am dead in the water. I have to have a single system that is easy to use and maintain. I can't maintain two systems anymore. So it has to be the backbone of our eligibility process. And it is a successful system. A version of it is running in the state of Michigan right now.

With the rollout are you concerned with updates and changes that may need to be made due to the changes future technology will offer?

Have you flown lately? Did you use a kiosk to check in? Ninety percent of the people flying use a kiosk to check in. We want to get to where we use more technology like kiosks. There is no reason not to have a kiosk in an eligibility office. With a kiosk, the individual requesting aid would complete a basic application. So when it comes to the worker, the worker is focusing on the higher level work they are supposed to do. It would mean an eligibility worker is not spending significant time doing data entry work. Our system needs to be flexible enough to where new and improved technology can be added to it. A kiosk is a simple example I can use.

One of the biggest areas where I see the future of more partnerships is with the state food banks. When somebody is in a crisis situation and they are out of food and money, more than likely they go to one of the 3,000 non-profit organizations that contract with the 18 – 19 food banks around the state. They get food supplies to make it through the day. Well, there is no reason you couldn't have a kiosk in that food bank, or that non-profit organization or church organization or Meals on Wheels, where someone can submit an application for state assistance. The system needs to think broader and be more flexible. With the SAVERR system, the word "flexibility" is nowhere to be found.

TIERS was designed to be a worker-processed system. But what we have done is modify TIERS with improved technology like calling in applications by phone, and accessing applications via the web. Technology is changing so we have to be flexible. That is probably one of the bigger challenges I have as Executive Commissioner. Computer flexibility and IT flexibility cost money. So I have to be able to say to the legislature that you need to invest in our state employees and in our technology. I need quality workers. I need quality technology.

What are your challenges in getting everyone up to speed for the rollout of TIERS?

There are some employees who want to move forward with TIERS as fast as we can. We know from our training program that it is easier for new employees to adjust to changing to a new system than reeducating an experienced worker that has used the old system for many years.

What we are trying to do is get that front line employee, whether they are new or have been with us 22 years, to provide us with input into improving the TIERS system. Somewhere along the line we shut them out. I don't know why or how it happened, but I have set up several avenues for their input because it is very important. This includes direct email access to me. I received and read 800 or 900 emails in a week. I also set up meetings where front line workers, front line clerks come in and give me their suggestions. And then I actually follow up on their suggestions. So employees need to have input into the process. I think it will be successful.

So it really boils down to basic communication?

Management is communication...two-way. I communicate with my staff and they must be comfortable communicating back to me. When they give me information, I have to do something with it. It is very important that I give them some feedback. If I can implement their suggestions I will implement them. They need to understand how the work they perform is making somebody's life better – they're not just processing paper work.

Communication also tells an employee what is going on in the system. What I've learned from listening to employees is that every state worker needs to know how they fit into the system. We need to be sure employees realize they are making a difference and not to lose sight of that.

At one point in my career, I remember asking myself "Am I really making a difference? Am I really impacting anybody's life?" It can get frustrating at times when you're not sure of the answer. That's why I make sure every one of our workers understands how they fit into the system. They need to receive feedback on how they made that person's life better.

The success of state government depends upon having quality employees at our state agencies. What are your thoughts about attracting and retaining a quality state government workforce?

The best thing I can do is retain quality staff and have low turnover percentages. It is critical for us. It saves us money. By doing this, I am spending less on training new people. The best investment I can have is keeping a quality workforce. That is why I was willing to take the risk of giving a one-time merit raise to all of my front line eligibility workers who were meeting our performance standards. The last 12 months they have pushed it to get the job done. I am willing to take that risk because it is cheaper for me to reward them than it is to pay overtime. It is cheaper for me to pay them and have a smaller turnover and vacancy rate. The vacancy rate is the most expensive item I have when it comes to the workforce.





What can be done in the future to reduce turnover of staff?

Compensation...rewards. Creating that job satisfaction. Creating that career track. Creating that professionalism. It's not any one thing.

Compensation is obviously an important element, what are your thoughts on compensating employees for the work they perform?

Of course, we at the agency along with my counterpart commissioners need to have a dialogue and present a more unified approach with the Legislature. TDCJ Executive Director Brad Livingston's issues are no different than mine. We have to have increased compensation to be competitive. We have to have more quality computer systems to be competitive. We shouldn't be competing with each other, even though we probably do in some markets. We need to be united in order to have quality employees that are well compensated for the State of Texas. It is a good investment for the state. For example, in some cases where we can't hire a psychiatrist we have to contract out for one. I guarantee you that a contract psychiatrist is going to cost significantly more than a state employed psychiatrist. So I think it comes down to state agencies presenting a consistent and unified message; and saying it over and over and over again, until people are tired of hearing it.

That's the risk I run as a commissioner. That is why an organization like TPEA has to be part of the educational process.

Of course, there are non-monetary ways to show appreciation for a job well done. What are some of the things HHSC is doing to recognize and appreciate employees?

I have an open door policy. We have developed special emails for employees. I think we are the only state agency that has a weekly newsletter for employees that includes questions and answers every week. The questions come from employees through an online submission form, and we actually have an advisory group take the first look at them because we receive so many. They help us go through all of the employee questions and prioritize them. We think it is the most popular feature of the newsletter. I think it is important for the employees on the front line to make whatever suggestions or raise whatever questions they have. I think we are obligated to get them an answer. They may not like the answer sometimes, but we get them an answer. It goes back to an informed workforce will do a better job. We also do monthly conference calls where front line supervisors can talk directly to our executives and ask questions.

With the increase in demand for services, many employees are working overtime and are in a very stressful environment. What will reduce burnout and encourage wellness in the workplace?

I think DSHS Commissioner Dr. David Lakey has the lead in try-

HHSC By The Numbers

The 2003 Texas legislature reconfigured the state's health and human services agencies and programs, creating five new agencies out of eleven legacy agencies and realigning many programs and services. The Health and Human Services Commission (HHSC) is both an operating agency and the lead agency in the health and human services system, often known collectively as the "enterprise." The combined system also includes the Department of Family and Protective services (DFPS), the Department of Aging and Disability Services (DADS), the Department of Assistive and Rehabilitative Services (DARS), and the Department of State Health Services (DSHS).

The legislature also changed the governance structures for these agencies by doing away with the semi-autonomous, Governor-appointed Boards and Commissions that had previously governed agencies, and establishing more direct accountability through the state's chief executive, the Governor. Accordingly, the HHSC Commissioner is the Executive Commissioner of the combined system and is appointed directly by the Governor, with Senate confirmation. The Commissioners of the other four HHSC system agencies are appointed by the Executive Commissioner, with approval by the Governor.

Texas' health and human services system provides vital services to millions of Texans, including sensitive populations such as the aged, people with disabilities, vulnerable children and adults, and lower income children and families, among others. HHSC agencies administer major programs such as Medicaid, CHIP, Child Protective Services, TANF, Food Stamps and Nutritional Services, as well as overseeing State Hospitals for Texans with mental illness and State Supported Living Centers for Texans with mental disabilities.

ing to develop our employee workforce wellness program. We will try to encourage employees to participate as much as we can. I think a healthy workforce is going to be a productive workforce. You look at any corporation that is trying to manage their human resources and they are trying to do a lot of wellness health programs. It lowers turnover, it lowers absenteeism, and it lowers health care premiums.

The staff has a tough job out there. The economy went down and our backlog got so big for various reasons. We are trying to get the backlog down so the front line worker can handle the job as it is coming in through the door, and have a little relief. That will help.

Are there any specific things you are doing to reduce the backlog?

We put some effort into hiring back to work retirees. We recruited recent eligibility workers that retired and gave them a job for a limited amount of time. This did not replace any of our existing workers, but provided additional help to focus on the backlog. I have also authorized staff in other positions that want to work overtime and have previously been trained as an eligibility worker to help with reducing the backlog. I don't care what office or agency they work for at HHSC, if they want to work a little extra time to help that's great. I think we will get it done. Many employees contacted us to volunteer to give up their weekends to help with the backlog. The state employee wants to do a good job. They want to be recognized and have the public realize it is a tough job.

With an enterprise as large as HHSC, communication with staff both within and across the agencies has to be critical to HHSC's effectiveness. What approaches are you using to stay informed about what is going on and to see that employees are receiving accurate and necessary information?

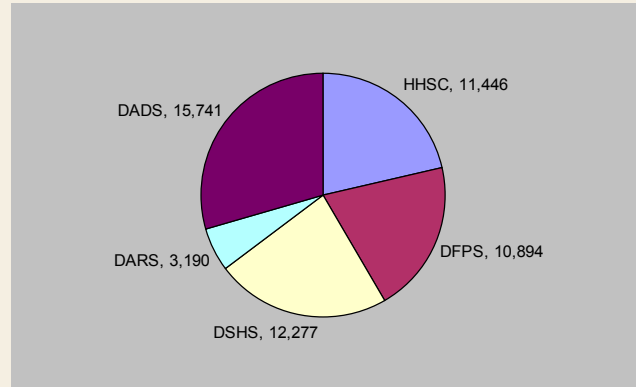
I think it is important for me and other state agency leaders to work with all elected officials not only when they come to Austin, but also out in their districts. Most of the state legislators, whether House or Senate, have visited an eligibility office, and have been in a school or state hospital. Whatever I do, I try to reinforce our message. Whenever I go to visit a field office I try to ask a state representative or senator to come meet with me. If all you do is focus on the legislative process for 140 days every two years, it won't work. It's a continuous educational process.

You have a great deal of experience with the legislative and budget process. Why do you believe it is important for the state's workforce to understand these processes?

HHSC Workforce Size

The combined HHSC agencies account for a third or more of general state government, whether estimated by number of employees or total appropriations.

2009 Total All HHSC Agencies Employees: 53,548

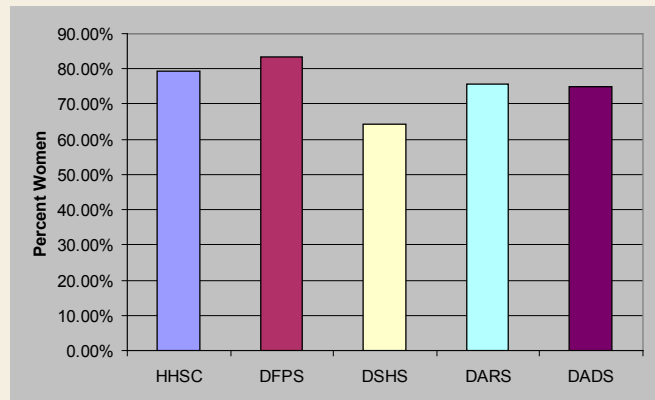


HHSC employees accounted for 35 percent of the 153,551 general government state employees.

Total state appropriations for 2010-2011 budget for HHSC agencies: \$59.7 billion, or 32.8 percent of all state appropriations.

HHSC Workforce Gender

The workforce of the HHSC system agencies is notable in several respects. In terms of gender makeup, the workforce is disproportionately female- 75 percent female and 25 percent male. The total state workforce is 56.1 percent female. The workforce gender makeup varies by agency:

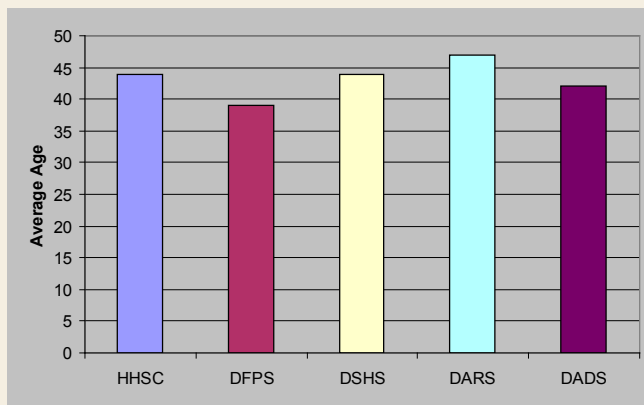


HHSC Workforce Race and Ethnicity

The HHSC system is extremely diverse racially and ethnically. Overall, in 2009 the HHSC workforce was 43.2 percent Anglo, 26.3 percent Black, 28 percent Hispanic, and 2.4 percent combined Asian and Native American. By comparison, the overall state government workforce is 52.2 percent Anglo, 21.9 percent Black, and 23.7 percent Hispanic.

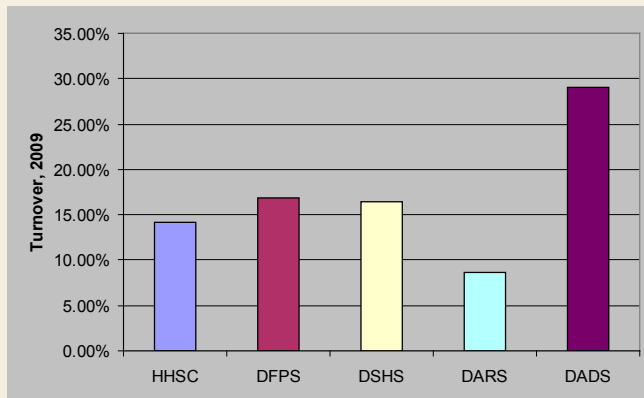
HHSC Workforce Age

Employees in the HHSC system are slightly younger, on average, than the general state workforce, although there is substantial variation between average ages at different agencies. Across the HHSC system the average age of employees was 43 years, as compared with the average age of all state employees 43.7 years.



HHSC Employee Turnover

TPEA has always considered employee turnover a key indicator of problems in the state workforce. Available evidence indicates inadequate employee compensation is the major contributor to employee turnover. Currently, the depressed economy and higher unemployment are acting to lower turnover generally. At 19.4 percent total turnover across the HHSC system is significantly higher than the 15.6 percent overall turnover in state government. HHSC agencies also have specific occupational categories with among the highest rates of turnover in all of state government.



There are complexities in the legislative process that restrict what we can and cannot do regarding merit and pay increases. I don't know if employees always understand these outside limitations. Having a fuller understanding of what we are fighting for can only help with the communication between agency leaders and the front line employees. I was impressed when I started working with legislative leaders on fixing the eligibility process that they really were concerned about the front line worker. They wanted to make sure I was doing everything I could to address the workers' issues. They all recognize a stable workforce will be more productive.

You have requested a state audit of the agency. When do you expect the results and what do you expect to learn from them?

We should have a quick turnaround from the State Auditor's office. I think it is going to be a mixed bag. Clearly, I think they are going to be critical of some things. We're probably not doing the best in some of our processes. I think overall it will be another tool for us to use for making improvements. They are visiting the field offices and I think they will be very complimentary of the staff and the hard work they perform. I think with all of the parameters and restrictions with the state and federal government, they will be pleased with the work being done. The audit can't do anything but be good for our workers. I think some of the improvements the state auditors will recommend will be legislative and technology oriented, because we are working with some really old technology.

What can the State do to get the message out or to help Texans value the work state employees perform day in and day out?

Get the basic facts out and communicate the good job state employees are doing.

With the stress your staff is currently under, how would you gauge overall morale?

I am impressed that the morale is as high as it is. In the field offices I found that the employees felt they were not appreciated. And I think that has to do with some of the news stories published about the food stamp backlog. The workers do everything they can. They can't control the number of people coming in the front door for assistance. They have to see everybody. There is frustration. I went out to the field offices before we initiated some changes, and I have been out during and after the implementation - it is a night and day difference. Some of them say, "Commissioner, you really do care." It's not just words. I really do care.