



STATE OF NEW MEXICO  
**Human Services Department**  
**Governor Michelle Lujan Grisham**  
David R. Scrase, M.D., Cabinet Secretary  
Angela Medrano, Deputy Cabinet Secretary  
Russell Toal, Deputy Cabinet Secretary

**FOR IMMEDIATE RELEASE**

**Contact:** Jodi McGinnis Porter  
Communications Director, Human Services Department  
jodi.mcginis-porter@state.nm.us  
505-670-4136

December 4, 2019

**New Mexico Human Services Department reaches settlement agreement with five behavioral health providers:  
Santa Maria El Mirador (formerly Easter Seals El Mirador), Border Area Mental Health Services, Southwest Counseling Center, Inc., Southern New Mexico Human Development, Inc., and Families and Youth, Inc.**

SANTA FE – The New Mexico Human Services Department (HSD) has reached a settlement agreement/addendum with the remaining five behavioral health organizations who filed lawsuits against HSD claiming that they had been damaged when the Martinez administration froze Medicaid payments in 2013. The five behavioral health providers included in the settlement agreement/addendum are:

1. Santa Maria El Mirador (formerly Easter Seals El Mirador)
2. Border Area Mental Health Services
3. Southwest Counseling Center, Inc.
4. Southern New Mexico Human Development, Inc.
5. Families and Youth, Inc.

HSD and the behavioral health providers have agreed to settle the administrative appeals, lawsuits, and all claims in the interest of amicably resolving all the differences between them so that their collective efforts can be focused on building a new behavioral network.

Governor Michelle Lujan Grisham charged HSD to fix New Mexico's broken behavioral health care system by working with the New Mexico Behavioral Health Collaborative to achieve these goals:

- Build a new behavioral health provider network.
- Develop community-based mental health services for children and families.
- Effectively address substance use disorder.
- Effectively address the behavioral health needs of justice-involved individuals.

Under the terms of the settlement agreement/addendum the behavioral health providers agree to settle the lawsuits for \$10 million payable by the Human Services Department proportionally allocated among the providers as follows:

- 29.4 percent to Santa Maria El Mirador (formerly Easter Seals El Mirador),
- 21.4 percent to Border Area Mental Health Services,
- 21.4 percent to Southwest Counseling Center, Inc.,
- 10.4 percent to Southern New Mexico Human Development, Inc., and
- 17.4 percent to Families and Youth, Inc.

In addition to the settlement agreement/addendum, the parties agree to file a joint motion to disburse from the Court Registry and sign a stipulated order to release the following funds:

- \$127,240.40 to Santa Maria El Mirador (formerly Easter Seals El Mirador) and its attorneys Davis & Gilchrist, P.C.;
- \$96,201.73 to Border Area Mental Health Services, and its attorneys Davis & Gilchrist, P.C. (and \$226.27 in fee-for-service amounts to HSD); and
- \$88,239.79 to Southern New Mexico Human Development, Inc., and its attorneys Davis & Gilchrist, P.C. (and \$157.21 in fee-for-service amounts to HSD).

“This has been a long wait and a hard road to get this done,” said Senator Mary Kay Papen. “I’m extremely grateful to Governor Lujan Grisham and particularly to Secretary Scrase who paved the way to resolve this. Now, we can get providers back in business to help those individuals who have had to do without needed behavioral health care services.”

“Santa Maria El Mirador is pleased with the governor’s commitment to resolve the behavioral health litigation. Thanks to the leadership of the governor, Senator Mary Kay Papen and the New Mexico Legislature, this settlement will stabilize our disability services,” said Patsy Romero, chief executive officer, Santa Maria El Mirador (formerly Easter Seals El Mirador).

“This agreement will move us all forward in a cordial and cooperative manner to establish an efficient and effective behavioral health system and secure quality services to all disabled individuals,” said Mark Johnson, chairman, board of directors for Santa Maria El Mirador (formerly Easter Seals El Mirador).

"I'd like to thank Secretary Scrase and the governor for recognizing the importance of working hard to get this settlement completed. The settlement goes a long way in helping reestablish behavioral health services in Grant, Luna, Hidalgo, and Doña Ana counties," said Roque Garcia, on behalf of Border Area Mental Health Services, Southwest Counseling Center, Inc., and Southern New Mexico Human Development, Inc.

"This settlement will allow us to resume services to our community. We are grateful for this administration’s efforts in crafting and negotiating a fair and reasonable settlement” said William Daumueller, chairman, board of directors for Southwest Counseling Center, Inc.

“The governor’s commitment to support and deepen the availability of and access to behavioral health services in New Mexico is commendable. Secretary Scrase is leading a tremendous effort to rebuild, restore, and move the behavioral health system forward. Families and Youth, Inc. shares in the governor’s commitment and Secretary Scrase’s efforts to address the gaps in and reinforce the safety nets and services of our behavioral health system of care in Doña Ana County and across the state; the agreement to settle supports this shared direction forward.” said Brian Kavanaugh, chief executive officer for Families and Youth, Inc.

With this settlement agreement/addendum, HSD has now settled all 10 of the lawsuits filed by behavioral health providers against the department for Medicaid payments that were frozen by the Martinez administration.

Previously, HSD settled with providers:

- Hogares, Inc.,
- The Counseling Center, Inc.,
- Valencia Counseling Services, Inc.,
- TeamBuilders Counseling Services, Inc., and
- Counseling Associates, Inc.

“The governor tasked me with fixing behavioral health in New Mexico,” said Secretary David R. Scrase, M.D. “With all of the lawsuits behind us, we will work together with these providers and others to focus on building a new behavioral health care system in our state, provide new and expanded services and ensure that what happened in 2013 never happens again.”

The Human Services Department provides services and benefits to more than 1 million New Mexicans through several programs including: the Medicaid Program, Temporary Assistance for Needy Families (TANF) Program, Supplemental Nutrition Assistance Program (SNAP), Child Support Program, and several Behavioral Health Services.

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**Office of the Secretary | 1474 Rodeo Rd. | P.O Box 2348 | Santa Fe, NM | 87504 | 505-827-7750**