



New Mexico Human Services Department



2015 Annual Report



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Agency Staff

Office of the Secretary

Brent Earnest, Secretary
Sean Pearson, Deputy Secretary
Michael Nelson, Deputy Secretary
Priscilla Caverly, Native American Liaison

Medical Assistance Division

Nancy Smith-Leslie, Director

Child Support Enforcement Division

Laura Galindo, Director

Income Support Division

Marilyn Martinez, Director

Behavioral Health Services Division

Wayne Lindstrom, Ph.D.

Administrative Services Division

Danny Sandoval, Director and CFO

Fair Hearings Bureau

Consuelo Lowe, Bureau Chief

Office of Human Resources

Johnna Padilla, Director

Office of Inspector General

Adrian Gallegos, Inspector General

Office of General Counsel

Christopher Collins, General Counsel

Information Technology Division

Susan Pentecost, Chief Information Officer

MESSAGE FROM SECRETARY BRENT EARNEST



The programs, and the staff that manage them, of the Human Services Department helped more than 900,000 New Mexicans in 2015. From helping to fill a propane tank during the winter, to ensuring child support payments were made to parents, to providing access to health care, to helping people purchase additional food, HSD provided critical safety net services to more New Mexicans than ever before.

In large part, the growth in these programs has been fueled by the expansion of Medicaid to all adults with incomes under 138% of the federal poverty level (about \$16,250/year). In fact, more than 240,000 adults now have access to health care services through Medicaid, which has significantly contributed to the state's lower rate of uninsured. But along with this growth, we at HSD have been focused on ensuring our programs produce better outcomes for these individuals. In Medicaid, in 2015, we continued to pursue better healthcare outcomes through Centennial Care, the reform which launched in 2014. Medicaid enrollees are becoming more engaged in their own health care choices through the Centennial Rewards incentive program. Managed care organizations are working with doctors and hospitals to develop new payment models that reimburse for healthy populations. Community mental health agencies and other health care centers are working together to better integrate behavioral health and physical health services. Our Behavioral Health Services Division is working to fill gaps in the system of behavioral health care, including the creation of a better statewide crisis response system. All of this is happening with a focus on better outcomes at a lower cost.

And Medicaid isn't the only program that has seen growth. The Supplemental Nutrition Assistance Program (SNAP), with more than 500,000 individuals receiving monthly benefits, is also a critical safety net program. In part, this growth is in direct response to improvements in our eligibility system that make it easier for New Mexicans to apply for help. Our online application portal has been a great success. But here, too, we are focused on ensuring better outcomes for those in need. In 2015, we've been working to re-implement federal work rules for some adults in the SNAP program. By connecting adults who are able to work to jobs and training programs, these programs can produce much more positive results – gainful employment. We look forward to continuing this work in 2016.

As we look across the programs and into the future, we will continue to implement programs and process that help New Mexicans build their own success. As you read on in this report, you will see glimpses of this effort. The HHS 2020 project is a manifestation of our goals to create citizen-centric program delivery models that produce better outcomes. We recognize that individuals may need assistance from multiple programs – such as housing, food, child care, employment and healthcare – that cut across not just the programs of HSD but also those of other agencies. And by helping New Mexicans quickly meet these basic needs, we can help them find solid footing on the path to self-sufficiency.

MESSAGE FROM DEPUTY SECRETARY SEAN PEARSON



2015 was a year of transition for the Human Services Department (HSD). We had a new Cabinet Secretary, two new Deputy Cabinet Secretaries, four new Division Directors, and a new Communications Director. With new leaders, and existing leaders in new roles, our agency took additional steps towards reducing the impact of poverty on New Mexicans.

Nearly half of all New Mexicans are on at least one of HSD's public assistance programs, and over 70 percent of those recipients are on more than one program. A big step for HSD is the Health and Human Services (HHS) 2020 initiative. HHS 2020 focuses on improving the delivery of services and benefits to New Mexicans by enhancing our engagement of individuals and families, leveraging data and information better for improved decision and policy making, implementing new technology, and eliminating silos of public assistance programs by implementing person-centric models. HHS 2020 will improve the health and well-being of New Mexicans throughout the state.

HSD also took steps to strengthen our relationships with our sister agencies in 2015. The Department of Health, in collaboration with HSD was awarded funding from the Centers for Medicare and Medicaid Services, State Innovation Model Initiative to improve population health and health outcomes, guided by the vision of "A Healthier New Mexico." A Health System Innovation Steering Committee and various workgroups have been put together in support of the vision. Several HSD staff members participate in these workgroups.

HSD is also working closely with the Department of Workforce Solutions (DWS) to develop a State Unified Plan in support of the federal Workforce Innovation and Opportunity Act. Our agency is looking to align our New Mexico Works programs and Supplemental Nutrition Assistance Program Employment and Training programs with DWS's programs.

I am excited for 2016 as we take a leap forward towards improving the outcomes of our programs and help New Mexicans reduce the impact of poverty on their lives.

MESSAGE FROM DEPUTY SECRETARY MICHAEL NELSON



I joined the New Mexico Human Services Department (HSD) in the spring of 2015 and I am excited to work with the incredible staff of the Department's divisions. I work most closely with the Behavioral Health Services (BHSD) and Medical Assistance Divisions (MAD), but I've been impressed by the knowledge and commitment of our staff across all of our administrative and programmatic areas. I've noticed that the common theme amongst our team is the sincere desire to help the New Mexicans who need it most by ensuring the programs administered by HSD run as well as possible.

Speaking of common themes, I see a number of them when I look at BHSD's and MAD's accomplishments in 2015 and the direction they are headed in 2016. As you'll read about in the BHSD and MAD detail sections below, supporting and enhancing a stable network of physical health and behavioral health providers across New Mexico is a key focus. Structuring adequate reimbursement for key provider types and incentivizing innovative approaches to expand access are a couple ways HSD is carrying out its commitment to the providers who support the programs the department administers. But simply providing higher levels of funding under current payment models is not necessarily the best way to accomplish these objectives, so new models that incentivize the provision of high quality, comprehensive care are being developed and deployed.

Another theme of BHSD and MAD activity during 2015 which ties closely to the objectives described above was integration of physical health and behavioral health services. Many members of the programs administered by HSD suffer from mental and emotional disorders in addition to complex physical health issues. The ability for a member to improve his or her overall well-being often hinges on how well both of these types of conditions are treated. By connecting behavioral and physical health care providers, physically or virtually, the ability to coordinate a patient's care increases significantly and outcomes improve. Many Federally Qualified Health Clinics in New Mexico are already doing this, as are other provider organizations, using a patient centered medical home model. Two Health Homes will launch in early 2016 which will integrate behavioral health services with primary care for the patients they serve.

The Centennial Care program, implemented in 2014 as a way to transform the way Medicaid operates in New Mexico, made strides in 2015 accomplishing objectives like these and in other areas. I know we will continue to see gains. In 2015, HSD worked in collaboration with the New Mexico Department of Health on a project to plan a redesigned health system or New Mexico with the goals of:

- Improving Population Health
- Reducing Health Care Costs
- Enhancing the Experience of Care Related to Quality and Satisfaction

The project was funded by a grant from the Centers for Medicare and Medicaid Services (CMS) and included gathering key input from diverse stakeholders across the state. The plan is nearing completion and it will be presented to CMS in the spring of 2016. The development of the plan has been interwoven with these themes of ensuring access to the right compliment of quality care and service providers and the use of care delivery and funding models that reward better health outcomes through care coordination and integration. I believe these are the right things for HSD to be focusing on and I am pleased to be part of the journey.

NATIVE AMERICAN LIAISON

PRISCILLA CAVERLY



OVERVIEW

In accordance with the 2009 State-Tribal Collaboration Act (STCA), HSD has three Native American (NA) Liaisons who serve in the Office of the Secretary, the Medical Assistance Division (MAD), and the Behavioral Health Services Division (BHSD). NA Liaisons interact closely with tribal communities, facilitate consultations and collaborations, and are a direct resource to tribal leadership, Indian Health Service (IHS), tribal programs and urban Indian programs (collectively known as I/T/Us). NA Liaisons strive to improve communication and strengthen collaborations that lead to more effective government-to-government consultations.

ACHIEVEMENTS

NA Liaisons, in partnership with the HSD Office of Human Resources, and in compliance with the STCA and the HSD State-Tribal Consultation, Collaboration and Communication Policy, developed an internal training. HSD executive management, whose work involved initiating programmatic actions and/or policy changes that have tribal implications, completed this training. For the second year, HSD worked with the State Personnel Office to offer onsite Cultural Competency Training (CCT) to Income Support Division (ISD) field staff. In 2015, 442 HSD employees completed the CCT.

In 2015 HSD held four tribal roundtable consultations with New Mexico tribes, pueblos, nations, and I/T/Us and participated in a consultation called by the All Pueblo Council of Governors with the U.S. Department of Agriculture, Food and Nutrition Service.

The OOS NA Liaison acts as a resource to both ISD and the Child Support Enforcement Divisions (CSED) for tribal communications and protocol and tracks contracts with the tribes, pueblos, and nations. This year, Memorandums of Agreement for the ISD Food Distribution Program on Indian Reservations and the Supplemental Nutrition Assistance Program were renewed with 15 Pueblos and the Navajo Nation.

CSED has a dedicated attorney who is based in Albuquerque and licensed to practice in Acoma, Isleta, and Laguna Pueblos. She has a legal assistant who handles more than 300 active Child Support cases for these Pueblos. The Pueblo of Zia entered into a Governmental Services Agreement in September with CSED. In November, CSED revised a longstanding Joint Powers Agreement with the Navajo Nation.

The Medicaid program works hand-in-hand with the Indian Health Service, Tribal, and urban health clinics to provide access to medical services to Native Americans in New Mexico. Some Native Americans on Medicaid have chosen to enroll in Centennial Care, although it is not required.

Native American Income Support Division Recipients by Program (January 1, 2015 to December 1, 2015)	
Education Works	173
General Assistance	326
TANF	5,768
LIHEAP	10,528
SNAP	93,246

Total Native Americans Enrolled 123,976*	
Medicaid Fee-for-Service	Centennial Care
88,938	35,038

*Of this total, 33,467 are newly eligible through Medicaid Expansion.

In 2015, MAD submitted 21 requests for written comments on State Plan Amendments (SPAs), rule changes, and policies that could potentially affect New Mexico's Tribes/Pueblos/Nations. Input was also sought from I/T/Us on the redesign of the Medicaid Management Information System.

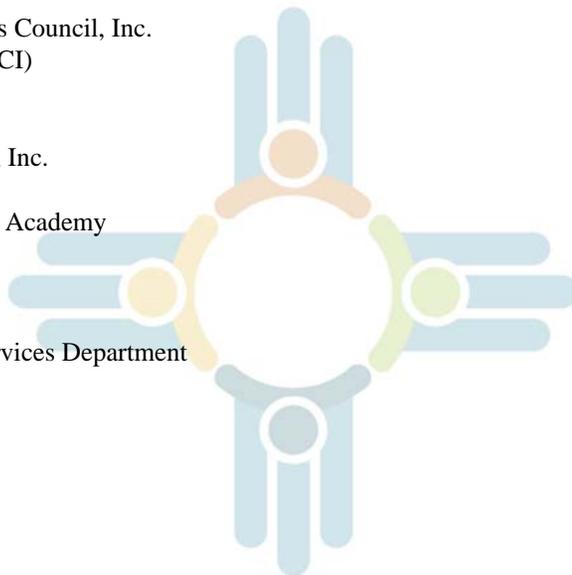
The MAD Tribal Liaison attended and engaged attendees at 14 Medicaid/Centennial Care outreach events such as tribal health fairs, statewide conferences, and meetings with I/TUs. As the contact for the Native American Liaisons of the Centennial Care Managed Care Organizations (MCO), the NA Liaison attends the MCO Native American Quarterly Advisory Board meeting.

The NA Liaison also coordinates the Native American Technical Advisory Committee meetings with the MAD Director and Tribal/HIS representatives.

The BHSD NA Liaison ensures that urban programs as well as tribes, pueblos and nations are being fairly considered for mental health and substance abuse funding and monitors programs for quality assurance.

These urban programs, tribes, pueblos and nations receive Non-Medicaid funding.

- Five Sandoval Indian Pueblos, Inc.
- Dine Council of Elders
- First Nations Community Healthsource
- The Life Link
- PMS – Totah Behavioral Health Authority
- Pueblo of Isleta
- Pueblo of Zuni
- Eight Northern Indian Pueblos Council, Inc.
- Na Nizhoozhi Center, Inc. (NCI)
- Navajo Nation DBHS
- Pueblo of Jemez
- Four Winds Recovery Center, Inc.
- Mescalero Apache Tribe
- Native American Community Academy
- Pueblo of Tesuque
- Santo Domingo Tribe
- Kewa Veteran Outreach
- Ohkay Owingeh Veterans Services Department



MEDICAL ASSISTANCE DIVISION

NANCY SMITH-LESLIE, DIRECTOR



OVERVIEW

Currently, 40 percent of New Mexicans (approximately 853,000 individuals, including approximately 385,000 children) receive health insurance through Medicaid, the Children's Health Insurance Program, or other medical assistance programs administered by the Human Services Department's Medical Assistance Division (HSD/MAD). This represents an increase of 87,000 total recipients from last year. The fiscal year 2016 budget for the Medicaid program is \$5.7 billion in state and federal dollars.

Centennial Care

HSD implemented its Medicaid managed care program, Centennial Care, on January 1, 2014. Approximately 640,000 members are enrolled in the program. Over the past two years, Centennial Care has focused on 1) improving the delivery of care for New Mexicans through better care integration with its robust care coordination program and emphasis on patient-centered care, 2) increasing provider capacity by maximizing scopes of practice for certain providers, expansion of telehealth services and increased use of community health workers; and 3) advancing payment reform initiatives that engage providers to move away from volume-based billing toward a model of care that aligns payment with enhanced performance and improved quality outcomes.

Emphasizing Patient-Centered Care

- Completed health risk assessments for 70 percent of members
- More than 70,000 members in higher levels of care coordination
- More than 200,000 members receiving care in patient-centered medical homes
- More than 21,000 members receiving home and community benefits
- 500 high need/high cost members served in ECHO Care, a program administered by the University of New Mexico that provides access to an intensivist team including primary care physicians, behavioral health counselors, specialists as needed, and community health workers (CHW)
- Health Homes for individuals with complex behavioral health needs to launch in early 2016

Supporting Provider Capacity

- Maximizing Scopes of Practice for certain providers
- MCOs expanding use of telehealth office visits and launching virtual physician visits, including behavioral health providers
- Increasing use of CHWs
- CHWs work with high Emergency Department utilizers to redirect them to PCPs, educate about healthy behavior, disease managements and community resources
- More than 100 directly employed by or contracted with MCOs
- Federally Qualified Health Centers actively engaging CHWs, including PMS, HMS and First Choice
- MCOs partnering with UNM to expand role of CHWs – care coordination, health education, health literacy, translation and community supports linkages
- 2015 Delivery System Improvement Target requires MCOs to increase utilization of CHWs

Implementing Payment Reform Projects

HSD approved ten payment reform projects in early 2015. All ten projects launched in July 2015, including:

- Accountable Care Like Models – performance-based model with partial payment paid as bonus for achieving quality outcomes.
- Bundled Payments for Episodes of Care – bariatric surgery, diabetes and maternity.

- Patient-Centered Medical Home (PCMH) Shared Savings – build upon PCMH model by adding shared savings targets that reward achievement of utilization and quality targets.

Reporting Early Measures of Success

- MCOs reported an average of 39 emergency room (ER) visits per 1,000 member months in 2013 compared to an average of 35 ER visits in 2014
- Two of the Centennial Care MCOs met the Delivery System Improvement Target of reducing non-emergent ER visits by 10% in 2014
- One MCO with a target of 479 visits per 1,000 members achieved 438 visits per 1,000
- One MCO with a target of 500 visits per 1,000 members achieved 407 visits per 1,000
- 458,876 total participants (65% of enrollees) are actively participating in the Centennial Rewards Program, which allows members to earn points when completing healthy behaviors
- Inpatient admissions were reduced for diabetes (52%) and asthma (31%) while “high-value” services like PCP visits and prescription medications increased
- Compliance with diabetes quality measures (e.g. HEDIS measures) increased for participants from 24% to 43%
- Compliance with quality measures for participants with asthma increased to 47%
- All MCOs met the delivery System Target of increasing telehealth office visits with specialists by 15% in 2014

Telehealth Professional Services - Managed Care Number of Visits

	Baseline			1 st Year Results			2 nd Year Results		
	2013 Behavioral Health	2013 Physical Health	2013 Total	2014 Behavioral Health	2014 Physical Health	2014 Total	2015 Behavioral Health	2015 Physical Health	2015 Total
BCBS	19	3	22	1,078	91	1,169	1,213	803	2,016
UHC	89	22	111	1,046	96	1,142	1,833	236	2,069
MHNM	7	0	7	1,909	32	1,941	2,132	754	2,886
PHP	2,016	4	2,020	3,006	143	3,149	3,809	134	3,943
Total	2,131	29	2,160	7,039	362	7,401	8,987	1,927	10,914

Medicaid Expansion and the Affordable Care Act

By the end of 2015, approximately 235,000 New Mexicans were enrolled in the Medicaid expansion program for adults. Most of the low-income adults who are eligible for the expanded Medicaid program receive their health care benefits through the Alternative Benefit Plan (ABP). The ABP includes doctor visits, preventive care, hospital care, emergency room and urgent care, mental health care and treatment for substance use, prescriptions and other services that are defined as “essential health benefits” by the Patient Protection and Affordable Care Act (ACA). In addition, the Medicaid adult dental benefit is included in the ABP.

Medicaid Eligibility and Enrollment Efforts

Through the Children’s Health Insurance Program Reauthorization Act (CHIPRA) Cycle III grant award, HSD developed an online screening tool and electronic application submission tool exclusively for the use of presumptive eligibility determiners (PEDs). This system, called YES New Mexico for PEDs (YESNM-PE), is available to PEDs statewide. It accurately screens individuals (or entire households) for possible Medicaid eligibility. Once the screening is complete, PE is granted to eligible individuals. The system then allows the information supplied for the screening to be used in an application for ongoing eligibility.

In addition, HSD has implemented multiple coverage efforts aimed at facilitating eligibility and ensuring access to services for individuals who are involved in the criminal justice system. New Mexico has implemented presumptive eligibility programs in prisons, jails and other correctional facilities to assist eligible incarcerated individuals in obtaining Medicaid immediate cover. MAD has also completed requirements to suspend Medicaid benefits for incarcerated individuals who are already enrolled in Medicaid, rather than terminating their cover completely.

CHILD SUPPORT ENFORCEMENT DIVISION

LAURA GALINDO, DIRECTOR



OVERVIEW

The mission of the Child Support Enforcement Division (CSED), derived from Title IV-D of the Federal Social Security Act, is to enhance the well-being of children by assuring that assistance in obtaining support, including financial and medical, is available to children. This is accomplished by locating parents, establishing paternity, determining support obligations, and monitoring and enforcing those obligations. Successfully completing these activities improves the quality of the lives of children, increases the number of families who achieve self-sufficiency, and helps break the cycle of dependency on public assistance.

In 2015, there were more than 67,000 families with child support cases in New Mexico, of which approximately 6,000 were Native American. CSED, New Mexico's IV-D agency, is required by federal and state laws to help families receiving Temporary Assistance for Needy Families (TANF) by collecting and disbursing child support payments. Families who are not receiving TANF may also apply to CSED for services. Cases that involve TANF make up 11 percent of CSED's caseload, and cases involving Medicaid benefits account for 25 percent of the caseload.

ACHIEVEMENTS

In SFY2015, a record \$140.1 million in child support was collected, which is an increase of \$3 million for SFY2014 collections. Most collections are received through wage withholdings and receipt of direct payments (88%), and the remaining balance are collected through administrative actions such as tax intercepts, insurance match, lottery winnings, bank account garnishments, and unemployment compensation. There were more than 15,000 license suspensions enforced by 64 state agencies, which resulted in an additional \$1.84 million in payments for SFY2015. Certificates of compliance were issued to all payers who brought an account current, or entered into a payment agreement.

The 2015 Bench Warrant Roundup was successful and resulted in total collections of \$150,284. One hundred and ten individuals were arrested; collectively they paid \$76,809 to be released. An additional \$73,475 was collected by 183 individuals to prevent arrest.

A needs assessment and a feasibility study were submitted to the Federal Office of Child Support Enforcement as part of the process for securing a new computer case management and monitoring system known as the Child Support Enforcement System. The replacement project is expected to be completed in four to five years.

INCOME SUPPORT DIVISION

MARILYN MARTINEZ, DIRECTOR



OVERVIEW

The mission of the Income Support Division (ISD) is to relieve, minimize or eliminate poverty and to make available certain services for eligible low-income individuals and families through statewide programs of financial assistance, food assistance, employment assistance and training services.

In 2015, ISD provided these much needed services to more New Mexicans than ever before. In SFY2015, a total of 232,130 families (496,928 individuals) received Supplemental Nutrition Assistance Program benefits, and 12,754 families (33,019 individuals) Received Temporary Assistance for Needy Families benefits. In addition, 61,486 families received an average benefit of \$189 through the Low Income Home Energy Assistance Program.

ACHIEVEMENTS

In 2015, ISD served over one million individuals at our 34 offices state wide. ISD was able to recoup \$2,373,115 in Interim Assistance Reimbursement from Social Security in SFY2015.

New Mexico achieved work participation rates of 34.4 percent for all families and 33.5 percent for two-parent families and the New Mexico Works contractor, SL Start, averaged 257 new employments per month.

ISD distributed 6,849,906 pounds of commodity foods, valued at \$8,998,906, to New Mexico schools through the USDA Food Distribution to Schools program. Additionally, \$1,625,458 was allocated to the DOD Fresh Fruit and Vegetable Program, which resulted in SFY2015 ISD entitlement of \$10,719,202.

Through a statewide network of regional food banks, The Emergency Food Assistance Program distributed 3,863,728 pounds of household commodity entitlement food (valued at \$2,244,687), and 2,552,108 pounds of household bonus commodities (valued at \$1,752,873).

ISD provided funding to provide 500,453 meals at six shelters (homeless, day and domestic violence) through the Homeless Meals Program.

Additionally, five agencies implemented the HSD administered SNAP Education (SNAP Ed) to provide nutrition education classes to low income families across the state. Nearly one million children and adults were introduced to SNAP Ed through education materials and events, and 257,278 individuals attended at least one class on topics such as nutrition, food budgeting, cooking and the importance of healthy, active lifestyles.

BEHAVIORAL HEALTH SERVICES DIVISION BEHAVIORAL HEALTH COLLABORATIVE



WAYNE W. LINDSTROM, Ph.D.,

DIRECTOR & CHIEF EXECUTIVE OFFICER

OVERVIEW

Behavioral Health Services Division

The purpose of the Behavioral Health Services Division (BHSD) is to manage the public behavioral health service system. BHSD currently has a staff of 30 that focus on developing strategies for mental health promotion and substance abuse prevention and treatment for individuals in New Mexico. In its role as the state mental health and substance abuse authority, BHSD works in partnership with the Medical Assistance Division (MAD) to oversee contracts with the four Medicaid managed care organizations (MCOs) and to ensure provision through New Mexico's behavioral health statewide system of Medicaid benefits.

NM Behavioral Health Collaborative

The Behavioral Health Collaborative (Collaborative) was created by the Legislature, and brings together 13 agencies across state government to plan, design and direct a statewide behavioral health system. The Collaborative has been engaged in discussing the three domains of the Behavioral Health Strategic Plan; Finance, Regulation and Workforce, and has received presentations from national experts in those areas to further inform and focus its review of the Plan. The Collaborative contracts with an Administrative Services Organization for Non-Medicaid behavioral health services.

Behavioral Health Planning Council

The Behavioral Health Planning Council (BHPC) is a Governor-appointed Council of consumers, providers, advocates and state agencies who advise the State (Governor, Legislature and Collaborative) on behavioral health services, including priorities for block grants and their accomplishments. The BHPC operates through a number of active statutory subcommittees, including the Native American sub-committee, the Adult/Substance Use/Medicaid subcommittee and the Children and Adolescent Sub-committee.

The Human Services Department's focus on behavioral health in 2015 was on communities and capacity. Targeted efforts have included the development of a two year Strategic Implementation Plan; the continued integration of behavioral health services through Centennial Care and a new federal grant, working with communities to develop new crisis and effective service models, and reducing administrative burdens to enable more behavioral health practitioners to serve the people of New Mexico. The Collaborative, BHSD, and the BHPC have each played an important role in the creation of a focused behavioral health strategy.

ACHIEVEMENTS

BHSD implemented the New Mexico Crisis and Access Line (NMCAL) as a 24/7 crisis line staffed by professional counselors and linked to local providers. In 2015, the NMCAL Peer2Peer Warm Line was launched, offering people in crisis an opportunity to speak with someone who shares their experience of mental health or addiction challenges. A public awareness campaign was launched to educate as many New Mexicans as possible about this critical resource.

In collaboration with the Department of Health and the Technical Assistance Collaborative, BHSD began work to develop regulations that will allow for crisis triage centers to be developed in each region that can offer triage and stabilization of a variety of mental health and addiction crises. To sustain these new centers, work has been initiated with MAD to establish a Medicaid funding stream for this new service.

In 2015, the New Mexico Legislature appropriated \$1 million for Behavioral Health Investment Zones to further invest in New Mexico communities that lead the state in deaths attributable to alcohol, drugs, or suicide. This initiative focuses on preventing adverse childhood experiences, building developmental assets, conducting early screening and assessments, improving access to quality trauma informed treatment services, diverting those with behavioral health conditions from emergency room utilization and



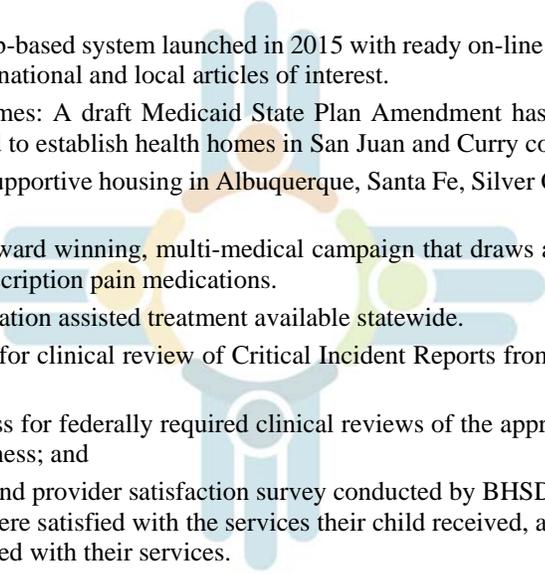
incarceration, reducing serious and violent crime, integrating behavioral health with health care, leveraging private funding, and assisting local leaders in navigating appropriate federal and state programs.

Reimbursement rates for behavioral health providers were increased by 7.5 percent in 2014 and again by 5 percent at the onset of calendar year 2015.

HSD supported providers to improve system stability by initiating a monthly meeting with the newly formed Behavioral Health Provider Association to collaborate on finding solutions to provider concerns and common ground on ways to address the needs of the behavioral health system.

In 2015 a process was adopted to address workforce shortages, particularly in rural and frontier areas, by allowing certain non-independently licensed professionals to provide behavioral health services under the direction of an independently licensed clinician. BHSD continued to train and certify Peer Support Workers and completes its final year of the “Healthy Homes” federal transformation grant, creating a new group of certified peer support workers with specialized expertise in supportive housing. BHSD’s Director continues to participate in the New Mexico Health Care Work Force Committee.

Behavioral health services for individuals who are not eligible for Medicaid are funded through a combination of federal block grant and other grant funds from SAMHSA and state general funds appropriated to HSD, CYFD, and the Corrections Department. Specific accomplishments include:

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- Network of Care: National web-based system launched in 2015 with ready on-line access to provider look-up, educational videos, social networking and national and local articles of interest.
 - Behavioral Health Health Homes: A draft Medicaid State Plan Amendment has been submitted for NM Carelink and applications will be distributed to establish health homes in San Juan and Curry counties.
 - Linkages Program: Provides supportive housing in Albuquerque, Santa Fe, Silver City, Roswell, Las Cruces, Hobbs, Taos and Farmington.
 - Dose of Reality Campaign: Award winning, multi-medical campaign that draws attention to preventing opioid overdose deaths and addiction from prescription pain medications.
 - BHSD expanded opioid medication assisted treatment available statewide.
 - BHSD implemented a system for clinical review of Critical Incident Reports from community mental health centers and Centennial Care MCOs.
 - BHSD is improving the process for federally required clinical reviews of the appropriateness of nursing home admission for individuals with mental illness; and
 - Based on the 2015 consumer and provider satisfaction survey conducted by BHSD, 84 percent of the family/caregivers surveyed indicated that they were satisfied with the services their child received, and 81 percent of adults surveyed indicated that they were satisfied with their services.

ADMINISTRATIVE SERVICES DIVISION

DANNY SANDOVAL, DIRECTOR &
CHIEF FINANCIAL OFFICER



OVERVIEW

The Administrative Services Division (ASD) provides the Human Services Department (HSD) with support services, financial control and reporting activities for a budget of over \$6 billion. ASD is responsible for ensuring compliance with directives from the Department of Finance and Administration (DFA), the State Treasurer's Office, the Office of the State Auditor, and federal oversight agencies related to financial reporting. ASD management conveys a positive control environment by maintaining Chief Financial Officer (CFO) Directives and HSD model accounting practices that establish a control framework for the financial functions of HSD. In 2015, ASD provided timely complete, and accurate financial information by reviewing the following with HSD program divisions:

- Budget to actual schedules throughout the year;
- Federal financial reports on a quarterly and annual basis;
- Trial balances and account schedules on a monthly and quarterly basis;
- Changes that impact the HSD's Public Assistance Cost Allocation Plan and cost impact to HSD programs on a quarterly basis.

ASD has two CFOs approved by the DFA and the financial reporting noted above is approved at a CFO level.

ACHIEVEMENTS

In 2015, although only required to resolve two, the ASD resolved six of the 2014 audit findings. ASD worked jointly with Xerox and the Medical Assistance Division (MAD) to resolve a repeat finding that spanned three years. The corrective action plan resulted in removing an allowance of \$9 million from the 2014 Medicaid Projection Model. The ASD learned that more detail is available from the interface of the Medicaid Management Information System into SHARE, the state-wide accounting system that will allow segregating of receivables and improve accuracy of Medicaid financial reporting. The second finding resolved by ASD related to federal reporting. The 2015 audit had no findings related to federal reporting for any programs.

ASD also recorded a reversion of \$14 million from the Medicaid fund for a recovery of federal accounts receivable which had previously been written off.

ASD led the way to submitting the 2015 Single and Financial Statement Audit to the Office of the State Auditor by an accelerated deadline of December 1, 2015. The auditor's opinion was that the financial statements present fairly the financial position of all HSD funds. The overview of financial activities for SFY2015 can best be seen in the statement of activities for the year ending June 30, 2015. The statement of activities classifies HSD programs as healthcare services financial assistance and general government. "Healthcare services" refers primarily to transactions in the Medicaid Fund, and "financial assistance" refers primarily to Low Income Home Energy Assistance Program, Temporary Assistance for Needy Families and Supplemental Nutritional Assistance Program (SNAP) benefits. Transactions classified as "general government" in all other funds account for the administrative expenses to support those program functions. The large increase in expenses is due mainly to Medicaid expansion and the increase in SNAP benefits.

The ASD was also able to submit year-end deliverables to DFA by November 6, 2015 for inclusion in the Statewide Comprehensive Annual Financial Report.

**STATE OF NEW MEXICO HUMAN SERVICES DEPARTMENT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenue		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants	
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
Healthcare Services	\$ 5,133,388,327	\$ 76,564,869	\$ 4,037,418,495	\$ (1,019,404,963)
Financial Assistance	821,303,741	2,420,140	808,154,298	(10,729,303)
General Government	332,698,999	21,880,478	191,741,122	(119,077,399)
Total Governmental Activities	\$ 6,287,391,067	\$ 100,865,487	\$ 5,037,313,915	(1,149,211,665)
General Revenues and Transfers:				
				1,014,587,100
State General Fund Appropriations				747,816
Severance Tax Bond Proceeds				209,679
Contributed Assets				(17,005,215)
Reversion of State General Fund Appropriations				145,974,582
Transfers from Other State Agencies				<u>1,144,513,962</u>
Total General Revenues and Transfers				<u>1,144,513,962</u>
CHANGE IN NET POSITION				(4,697,703)
Net Position - Beginning of Year				<u>112,596,793</u>
NET POSITION - END OF YEAR				\$ <u>107,899,090</u>



FAIR HEARINGS BUREAU

CONSUELO LOWE, BUREAU CHIEF



OVERVIEW

The Fair Hearings Bureau (FHB) processes hearing requests for public assistance programs administered by the Human Services Department (HSD), as well as hearings requested by Providers contracted by the Medical Assistance Division in partnership with the Department of Health. The FHB plays an integral role in providing impartial recommendations for program recipients, health care providers, and various divisions in, and outside of HSD.

The FHB has 17 FTEs, consisting of the Bureau and Assistance Bureau Chief; the Administrative hub, formed by two Management Analysts and one Administrative Secretary, and multiple Hearing Officers located in both Santa Fe and Albuquerque offices. FHB employees, (i.e., supervisory/hearing officers/administrative), are dedicated to the constant improvement of their scope of work via monthly staff meetings, voluntary enrollment in training courses, and federal advisory summits, as well as adhering to program policies. These measures are taken to ensure synergy within the division,

During the hearing process, cases are reviewed based upon a number of aspects which include but are not limited to: the validity of the request as it corresponds with the requestor's benefits or services received/rendered; merit, proposed exhibits, impact of adverse case-action on recipients and their families; timeliness of request, and overall effective communication between requestors and the FHB. Summaries of Evidence are required on all hearing requests. The Summary of Evidence is the first step that provides specifics of the case before a Hearing Officer. Some cases are automatically dismissed for administrative reasons. Other cases are abandoned or withdrawn, due to lack of participation from requestors or because the issue was resolved prior to the scheduled hearing date. As cases progress from the initial request, to the participation in the telephonic or in-person hearing, the Hearing Officer consistently and systematically reviews the case for updates; motions, appearance by legal representation, proposed exhibits, grievances, withdrawals, etc. These updates, along with the study of case law (policy and regulations), will contribute to the Hearing Officer's final recommendation, either for the Human Services Department or for the claimant.

ACHIEVEMENTS

Since January 1, 2015, there have been a total of 5,800 requests to date. This equals to roughly 720 requests per month. These requests are received by Fair Hearings via phone calls, postal delivery, voicemail, fax, email, or through submittals from the various Income Support Offices located throughout the state.

The FHB has produced timely final decisions on all administrative disqualification hearings consistently for the years 2014 through 2015.

OFFICE OF HUMAN RESOURCES

JOHNNA PADILLA, DIRECTOR



OVERVIEW

The Office of Human Resources (OHR) is committed to assisting, guiding and serving the employees of the Human Services Department (HSD) to ensure they can focus on serving the citizens of New Mexico. The OHR Operations Section continued to advocate for the department's more than 2,000 employees by providing comprehensive management and administration of human resource functions related to recruitment, hiring, job advancement, and termination processes. Additionally, the Staff Development and Training Section provided a diverse collection of in-person and online training to department management and staff.

ACHIEVEMENTS

The OHR Administration Section responsibly managed the recruiting functions for all of HSD by positing 558 job opportunities and processing referred lists timely. OHR analysts processed more than 1,415 human resource actions including 260 hires, 238 promotions, 180 transfers, 56 retirements, and 313 terminations.

Recruiting and retaining qualified attorneys has been an ongoing challenge for HSD. Low wages, coupled with high caseloads, have historically made it difficult to entice experienced and competent attorneys to work for HSD. OHR Operations collaborated with the State Personnel Office to implement three new levels of lawyer classifications: Law Clerk-Operational, Lawyer-Basic, and Attorney IV. The addition of these legal classifications significantly improved the HSD career ladder and has assisted in reducing the statewide legal staff shortages.

In 2015, OHR achieved 81 percent compliance for federal, state, department, and union mandated education courses by utilizing on-line training. The OHR Training Section collaborated with the Child Support Enforcement Division (CSED) and the Office of the Secretary to develop, administer, and manage online courses specific to their needs. Additionally, the OHR Training Section has offered and aggressively scheduled and delivered live trainings in the areas of Customer Service, Cubicle Etiquette, Verbal Judo, Active Shooter, Business Writing & Grammar, and Team Building. OHR will continue to provide these training opportunities throughout 2016.

The OHR Training Section successfully completed the pilot of the HSD Leadership Development Program when 62 CSED managers completed the training in September 2015. Managers within the Medical Assistance Division (MAD) will graduate from the program in February 2016, and the Income Support Division (ISD) enrolled managers to begin the program in late 2015.

Appropriately managing employee personnel issues is a vital responsibility of every manager employed with HSD. The Employee and Labor Relations (ELR) Section works diligently with managers to provide the appropriate guidance and clarification necessary for each manager to efficiently and consistently apply HSD policy in their respective offices. In SFY2015, the ELR assisted the OHR Training Section in conducting two trainings for the CSED Leadership Development program. These trainings provided practical information regarding effective discipline and how to develop positive relationships with the union stewards and representatives. The managers are actively applying the knowledge they received in everyday situations, ultimately evidencing the success of these trainings.

The Department's Loss Control Plan (LPC) was completed and filed with Risk Management in 2015. Since the completion of the Plan, the LPC Coordinator has been visiting HSD field offices to provide training and assist in establishing Health and Safety Committees. The Health and Safety Committees will be responsible for ensuring that the offices are inspected annually, focusing on the health and safety of HSD employees.

OFFICE OF INSPECTOR GENERAL

ADRIAN GALLEGOS, INSPECTOR GENERAL



OVERVIEW

The Office of Inspector General (OIG) is one of the largest state agency compliance divisions in New Mexico. The OIG is responsible for auditing HSD programs and operations as well as investigating allegations of fraud, waste and abuse in Medicaid and public assistance programs. The OIG is comprised of the Internal Review Bureau (IRB), the Program Integrity Unity (PIU), and the Investigations Bureau (IB).

2015 was a year of continued restructure and refocus for the OIG. The PIU, previously under the direction of the Medical Assistance Division (MAD), was reassigned to the OIG. The Fair Hearings Bureau (FHB), previously housed within OIG, was moved and established as a standalone division. Restructuring the OIG has unified and streamlined the audit and investigative services of HSD.

ACHIEVEMENTS

The IRB, in coordination with the Information Technology Division (ITD), automated several manual processes of extracting and analyzing data from the Automated System Program and Eligibility Network (ASPEN). The user-specified reports now being generated have significantly decreased the amount of time and resources HSD previously allocated to extracting data.

The PIU provides resources dedicated to the auditing of Medicaid providers and Managed Care Organizations. In 2015, the PIU provided specialized training to investigators in the Medicaid Fraud and Elder Abuse Division to increase the quality and efficiency of its investigations. Additionally, the PIU was the coordinator of the CMS New Mexico Focused Program Integrity Review as well as the CMS Federal Fiscal Year 2014 Payment Error Rate Management Data Processing Review.

The IB plays a significant role within the OIG in conducting investigations, and identified over \$1 million in fraud, waste and abuse in 2015. The IB also reviewed and analyzed more than 1,300 referrals. The IB assigned 104 of those cases for investigation, referred 11 cases for criminal prosecution, submitted 10 cases for administrative disqualification hearings, closed 21 unsubstantiated claims, completed and referred 28 Medicaid provider fraud investigations, and completed and referred nine internal employee investigations.

Two OIG staff were recently certified as Digital Forensic Examiners, and have since conducted 16 Digital Forensic Analyses on thirteen HSD employees resulting in six terminations, five suspensions, and two exonerations.