

New Mexico
Human Services Department
2011 Annual Report



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HSD's Mission:

To reduce the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance.





Message from the Cabinet Secretary

To say 2011 was a whirlwind of a year would be putting it mildly. From attending the Inauguration of Governor Susana Martinez on New Years' Day to receiving a unanimous confirmation by the State Senate to traveling the State for input on Medicaid Modernization, and most recently, kicking-off the project to replace the Income Support eligibility system, ASPEN, my life as Cabinet Secretary of the Human Services Department has been a non-stop adventure this year. And I don't expect it to slow down any time soon.

During the past year we served another record number of people. Nearly 800,000 people, which equals one in three New Mexicans, received one or more of the services we administer: medical assistance, cash assistance, nutrition assistance, energy assistance, child support enforcement assistance, and behavioral health services.

With that many people relying on our services, I focused my priorities this year on two main issues; Medicaid Modernization and the replacement of the 25-plus-year-old eligibility system.

Currently the Medicaid program is 16 percent of the state budget and health care costs continue to rise. Sustaining the Medicaid program now, to ensure its availability into the future, means bending the cost curve. Simply patching together fixes here or there would only work in the short-term, while we are looking for some long-term solutions. Our Medicaid Modernization effort will align incentives across health care consumers, health care providers and health plans, as well as HSD to reduce the costs and improve health care quality and outcomes. Our travels across the state and meeting with individual stakeholder groups helped us craft a proposal that we will take to the federal government for approval and begin moving New Mexico in the right direction in building a Medicaid program that can grow with New Mexico's needs.

Right now when you think of ASPEN, you probably think of a tree. Well for years to come you'll think of the Automated System Program and Eligibility Network (ASPEN). ASPEN will replace our current eligibility system, which is an old legacy system, with a system that has the technology to support the Department's current and future needs. ASPEN will be an integrated eligibility system that will improve public access to services through web access, as well as streamline services by providing field staff with a more efficient and technically advanced eligibility tool. Building something like this takes time, and our goal for completion is early 2014.

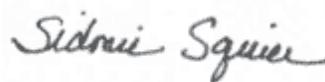
Despite the old eligibility system and the record number of people accessing our services, the Income Support Division was recognized nationally for its hard work. New Mexico is now ranked fourth in the nation for Supplemental Nutrition Assistance Program (SNAP) application processing timeliness and received the “Timeliness Performance Award.” But it doesn’t stop there; ISD also received the “Excellence in Program Integrity Award” for payment accuracy, “Excellence in Financial Management Award” for developing accurate budget projections, and the “Outstanding Performance in Claims Collection” for having the highest amount of SNAP claim dollars collected.

During a difficult economic year, one might think collections for child support would be down. But not in New Mexico. As a matter of fact, the Child Support Enforcement Division (CSED) collected a record \$123.5 million in child support during Fiscal Year 2011, and is on track to surpass the FY 12 target. A new tool to help us reach our collection goals is the Bench Warrant Project, which is the publishing of the names of non-custodial parents who are delinquent in their child support payments and have a bench warrant for their arrest issued. After a week amnesty period that allows the non-custodial parents to come in and pay the amount of their warrant, which goes directly toward the child support owed, the list is shared with the Department of Public Safety and other law enforcement agencies across the state to round-up the delinquent parents. During the first round-up, 32 non-custodial parents were either arrested during the sweep or came in on their own to pay their bonds for a total of \$76,774 in payments.

In the Behavioral Health arena, services needed due to crisis situations moved the Behavioral Health Services Division and the Behavioral Health Collaborative into action mode. One included sending a crisis response team to assist the victims of the largest forest fire in New Mexico history, the Las Conchas Fire. A Crisis Consortium was formed that consisted of a crisis line call into licensed behavioral health clinicians to send out a clinician upon request by the Red Cross, which was set up within hours of the shelters opening. The second situation focuses on the Opioid addiction crisis New Mexico is dealing with, which has increased by 300% in the last decade. A video designed to educate youth and families around the devastation caused by opioid addiction will soon be distributed to every school and superintendent in the state, along with other educators to emphasize the danger of this devastating drug.

While these are just a few of the highlights of 2011, I encourage you to read on and learn more about the accomplishments and challenges of the Human Services Department. I am pleased to present you with the 2011 Human Services Department Annual Report.

Sincerely,

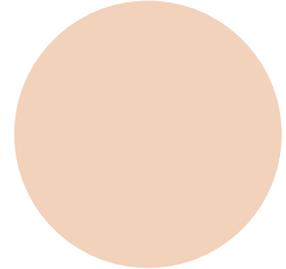
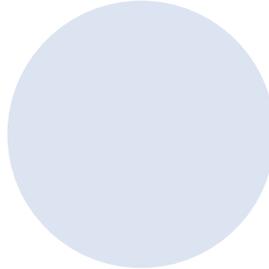
A handwritten signature in cursive script that reads "Sidonie Squier".

Sidonie Squier
Cabinet Secretary

Human Services Department Management Team



Sidonie Squier
Cabinet Secretary



Charissa Saavedra
Deputy Secretary



Brent Earnest
Deputy Secretary



Ray Mensack
Office of General Counsel
General Counsel



Julie Weinberg
Medical Assistance Division
Director



Dr. Dan Derksen
Office of Health Care Reform
Director



Ted Roth
Income Support Division
Acting Director



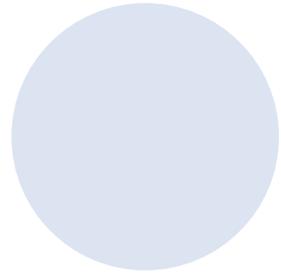
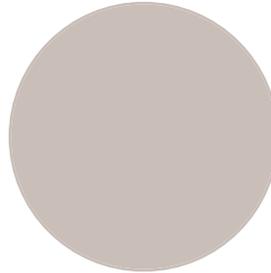
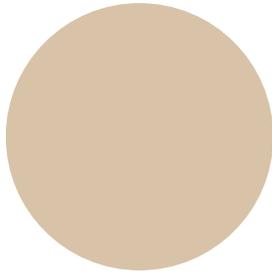
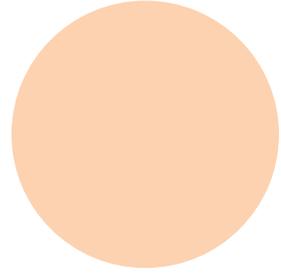
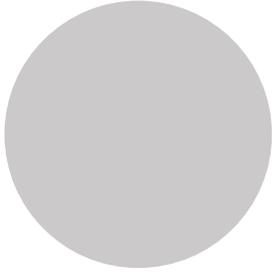
Randy Scott
Office of Inspector General
Inspector General



Brian Pietrewicz
Information Technology Division
Acting Director



Danny Sandoval
Administrative Services Division
Director



Stephen Klump

Child Support Enforcement Division
Acting Director



Linda Homer

Behavioral Health Services Division
Behavioral Health Collaborative
Director and Chief Executive Officer



Corinne Jameson

Office of Human Resources
Human Resource Manager



Matt Kennicott

Office of the Secretary
Communications Director



Betina Gonzales McCracken

Office of the Secretary
Project Manager



Yolanda Ramoz

Office of the Secretary
Executive Assistant



By the end of 2011 more than 550,000 New Mexicans were receiving their health care benefits through the Human Services Department.

Medical Assistance Division (MAD)

The Medical Assistance Division continued to see faster than normal growth in the number of Medicaid enrollees in calendar year 2011, although the rate of growth slowed from the five percent growth rate in 2010. Still, by the end of 2011 more than 550,000 New Mexicans were receiving their health care benefits through the

Department – about 25 percent of New Mexico’s population. That includes more than 330,000 children insured, and 42,000 low income adults through the low cost health insurance program, State Coverage Insurance (SCI), which is operated in partnership with employers.

While the initiative to Modernize the Medicaid program took much time and effort, MAD staff continued to provide and improve services for New Mexicans in need throughout the year.

The outreach staff of MAD’s Client Services Bureau applied for and was awarded another grant from the Children’s Health Insurance Program Reauthorization Act (CHIPRA). The grant provides financial support for the purchase and use of laptops and the internet to make it easier for workers to enroll children through the presumptive eligibility program. Almost all staff in the Client Services Bureau have participated in joint application design (JAD) sessions for the new Medicaid eligibility determination system the Department is building. The sessions identify all of the things the new system, called ASPEN, must do to determine eligibility for Medicaid and other programs the Department administers, such as SNAP. The ASPEN JAD sessions have also occupied staff from other MAD bureaus.

The Benefits Bureau was responsible for implementing the Electronic Health Record (EHR) Incentive Payment Program, which makes incentive payments to certain eligible physicians and hospitals for the adoption of health information technology (HIT). The Bureau developed and submitted MAD’s State Medicaid HIT Plan (SMHP) to the Centers for Medicare and Medicaid Services (CMS) in early summer. The SMHP was approved and the first EHR incentive payments will be made in December 2011. The incentive payments are funded 100% by the federal government.

Also in 2011, MAD welcomed staff from the Aging and Long Terms Services Department (ALTSD). While at ALTSD, this talented group of people had worked alongside MAD developing, implementing and administering the Coordination of Long Term Services (CoLTS) program and the Mi Via program. Now they have become part of MAD's CoLTS Bureau and Long Term Services and Supports Bureau and will continue participating in administering both programs.

Needless to say, MAD employees were very busy in 2011 with the activities described above and with other projects such as developing health homes for persons with chronic conditions, preparing for health care reform, and responding to the needs of our Medicaid enrollees. We expect 2012 to be equally as busy and productive.



GOAL 1

**Modernize & Improve
New Mexico's Medical
Assistance Programs**

GOAL 2

**Help New Mexicans
Get Back to Work**

GOAL 3

**Assist Parents with
their Child Support
Responsibilities**

GOAL 4

**Improve Behavioral
Health Services**

GOAL 5

**Improve
Administrative
Effectiveness &
Simplicity**



Office of Health Care Reform (OHCR)

The Office of Health Care Reform resides in the Human Services Department (HSD) and provides expertise for the state to prepare for and help implement the Affordable Care Act (ACA) and other federal and state health reform legislation and regulation.

The OHCR identifies and rapidly responds to funding opportunities to develop practical health reform solutions for the state to improve health, access to quality health care, cost efficiency and shared accountability.

The OHCR participates in tribal stakeholder meetings and sponsors State/Tribal meetings and formal consultation in conjunction with the New Mexico Indian Affairs Department to respond to the unique opportunities in the ACA and the Indian Health Care Improvement Act.

Grant Funding

- New Mexico was one of only ten states chosen by the Robert Wood Johnson Foundation for technical assistance to help establish the New Mexico Health Insurance Exchange (HIX).
- The OHCR wrote, submitted and received a \$34.3 million Level 1 NMHIX award to fund HIX establishment through November 28, 2012. OHCR released the \$24 million Request for Proposal to create the HIX information technology eligibility, enrollment, shop and compare system to vendors February 3, 2012.

Interagency Coordination

The OHCR leads the biweekly Interagency Leadership Committee the (ILC) to provide management, oversight and coordination across state agencies to analyze the implications for HSD, and other state agencies related to health reform provisions under ACA and other federal and state legislation and regulation.

Dissemination of Information

The OHCR distributes a Weekly Alert that summarizes funding opportunities, upcoming meetings, educational events, and health care reform news. The OHCR maintains a website with brochures, question-and-answer papers, information about grant applications, and legislative updates to inform the public

about health care reform-related issues. OHCR testified and provided a progress report to the legislature, the public and other stakeholders on agency progress on health reform, including at key decisions that have been made, key decisions that remain, analysis of available data, and policy options, considerations and recommendations, and posted these on its website. OHCR posts a Weekly Health Care Reform Spreadsheet that summarizes state agency grants applied for and funded. In October, New Mexico exceeded \$100 million in ACA grant awards.

Gathering Stakeholder Input

Through meetings with a broad range of state and government agencies, stakeholder and advocacy groups, the OHCR gets input to determine how best a health insurance exchange can meet the needs of consumers including small businesses, while making sure that the system also works for health providers, hospitals, insurers and others. Since August 2011, through formal presentations and meetings, the OCHR staff has met with over 600 individuals, and received and reviewed over 800 pages of stakeholder analysis, and recommendations. This included meetings and minutes for stakeholder chair, consumer, insurer, provider, tribal, information technology, and individual entities and organizations.

Tribal Consultation

The OHCR participates in tribal stakeholder meetings and sponsors State/Tribal meetings and formal consultation in conjunction with the New Mexico Indian Affairs Department to respond to the unique opportunities in the ACA and the Indian Health Care Improvement Act. Based on that feedback, funding for consultation and establishing a Tribal Assistance Center was included in the HIX proposal.

Work To Increase NM's Health Care Workforce

Covering more New Mexicans through an expansion of Medicaid, and insuring more through its HIX, will increase demand on the health system. OHCR is working with the Department of Health to better track New Mexico licensed health workforce, and submitted budget support in its HIX grant for Patient Centered Medical Home consultation and workforce analysis.





Income Support Division

The total number of persons served, including Medicaid cases, is over 786,000 or more than one in three New Mexicans.

The Income Support Division continues to provide much needed services to more New Mexicans than ever before. In December 2011, over 192,418 families (437,540 individuals), or one in five New Mexicans, were receiving nutrition assistance through the Supplemental Nutrition Assistance Program (SNAP), and nearly 23,000 families (51,878 individuals) were receiving some type of Cash Assistance (Temporary Assistance for Needy Families (TANF), General Assistance (GA) or Education Works and 74,591 households were approved for energy assistance through the Low Income Home Energy Assistance program (LIHEAP) during Federal Fiscal Year 2011. The total number of persons served, including Medicaid cases, is over 786,000, or more than one in three New Mexicans. The number of cases per actual caseworker is 1,037—the most it has ever been. Even with these challenges, ISD has received some awards and grants to help better serve the community and Help Get New Mexicans Back to Work.

Awards

"Timeliness Performance Award" - New Mexico was ranked fourth in the Nation for SNAP application processing timeliness and received, for the first time ever, the award for *making program improvements to SNAP*.

"Excellence in Program Integrity Award" - New Mexico won this award as being the state agency in the United States Department of Agriculture's Food and Nutrition Service Southwest Region for *showing continuous dedication and commitment to payment accuracy by achieving the lowest combined payment error rate and negative error rate as averaged over the past three years*.

"Excellence in Financial Management" - New Mexico won this award as being the State Agency in the United States Department of Agriculture's Food and Nutrition Services Southwest Region for excelling in developing accurate budget projections and adjusting them as necessary through the year to ensure funds requested are in line with needs, and ensuring no specific program components are overspent. The state was also recognized for exceptional accuracy and timeliness in the annual grant closeout for both regular program funds and American Recovery and Reinvestment (ARRA) funds; the reconciliation of EBT accounts; and the submission of federal financial reports.

"Outstanding Performance in Claims Collection" - The stewardship of public funds is one of the United States Department of Agriculture Food and Nutrition Services' longstanding priorities. The establishment and collection of SNAP claims is an integral part of that priority. New Mexico won this award for having the highest amount of claim dollars collected in FFY 2010 as a percent of the State's total outstanding claim debt within the Southwest Region.

Grants

Extra Help SNAP - On August 1, 2011, ISD implemented the Extra Help SNAP pilot demonstration project in northwest New Mexico. The purpose of this project is to increase SNAP participation among the elderly and disabled population, by using data available from the Extra Help Medicare program.

Work Support Strategies – On February 24, 2011, New Mexico was selected as one of nine states to receive a \$250,000 planning grant from The Urban Institute to help keep families working. The primary goal of the grant is to increase access and retention of work support services and reducing administrative burdens.

Program Updates

Competitive Request For Proposals (RFP) for New Mexico Works

- An RFP was awarded to SL Start and as of August 2011, the contractor has assumed NM Works activities throughout the state, providing case management to TANF clients.

New Mexico Works TANF Regulations - On October 17, 2011, HSD proposed amendments to the New Mexico Works TANF regulations to ensure that all participants receiving cash assistance participate in work activities. Work activities include supports and training for those with barriers to getting jobs, help in finding a job and learning the skills to keep a job.

TANF Participation - New Mexico's All Family Work Participation Rate (WPR) was 43.1%. The average rate for the United States was 29.4%; New Mexico was well above the national average.





Governor Susana Martinez' administration provided funding to HSD to continue the \$50.00 annual clothing allowance to 20,271 school aged children.

TANF Contingency Fund - NM received a grant of award of \$3,699,014. This represents the Fiscal Year 2012 Contingency Fund award for October and November, 2011.

Continued funding of Clothing Allowance and Senior SNAP Supplemental –Governor Susana Martinez' administration provided funding to HSD to continue the \$50.00 annual clothing allowance to 20,271 school aged children in TANF families and state funded SNAP supplemental for over 13,000 senior and disabled individuals.

Community Food Distribution - For Program Year 2011, distributed 10,034,948 pounds of food, valued at \$8,433,620 to schools in New Mexico and an additional 1,126,632 pounds of bonus commodities valued at \$241,970.

The Emergency Food Assistance Program (TEFAP) - For program year 2011, distributed 3,027,210 pounds of food, valued at \$1,764,351 for households and an additional 1,632,644 pounds of bonus commodities valued at \$935,997.

Electronic Benefit Transfer (EBT) – This year farmers' markets that accepted EBT increased from 14 to 26.

Farmers Market ARRA Funds – \$47,500 were disbursed through the NM Farmers Marketing Association to EBT clients, as a bonus incentive to purchase fresh produce at any of 26 markets accepting EBT.

Food Banks ARRA Funds – \$950,000 were used to purchase and deliver staple food items to food bank pantries, shelters and mobile units across the state in each county.

Hunger/Food Insecurity - New Mexico's prevalence of household level food insecurity ranking improved from 11th to 13th. Very low food insecurity (meaning households experiencing hunger) however, increased from 4.7% to 5.6%, the national average.

NM's SNAP Payment Accuracy Rate is 96.2%, which is the best in the Department's history and nationally ranked as 10th most improved state (based on Food and Nutrition Services (FNS) most current data).

The Public Assistance Reporting Information System (PARIS) saved New Mexico a total \$2,899,900 by validating recipients that received concurrent benefits from other states.

SNAP-Ed Request for Proposal - New Mexico completed the states' first competitive bid for this program.

Administration

ISD2 Replacement Project ASPEN –The Department awarded a contract and has begun work on the ISD2 replacement project now known as the Automated System Program and Eligibility Network (ASPEN). This project is the Division's highest priority. HSD has gained federal approval and has secured bond money for the project. ISD has been involved in every aspect of the IT project including requirements, design, testing and implementation. The staff expects to be immersed in the project for the next 2+ years.

ISD Business Reengineering - Expanded the business process model to 27 field offices statewide, increasing administrative efficiencies, timeliness, accuracy and improved customer service.





Child Support Enforcement Division (CSED)

The Child Support Enforcement Division (CSED) continued to serve New Mexicans well by assisting parents with their child support responsibilities. Despite budget cuts, and increased need for services, the CSED continued to improve performance in 2011 by implementing innovative collection tool, such as creating a Bench Warrant Project and requiring the use of electronic fund transfer.

CSED's Statewide Bench Warrant Program has proven to be a success for New Mexico's custodial parents and their children.

CSED Collections - A record \$123.5 million in child support was collected in SFY11, which was recognized in the "Across the USA" section of the July 27, 2011 issue of USA Today. The article stated:

"New Mexico: Santa Fe – The Human Services Department reports it collected more than \$123 million in child support enforcement payments during the fiscal year that ended June 30. The agency said the collections, up 7% from the previous year, were a record."

CSED exceeded its state performance collections target goal of \$110.1 million by 12.3% (or \$13.4 million), which was nearly a 7% increase over SFY10 collections of \$115.4 million. The increase is attributed in part to 3,070 more ordered child support cases in SFY11 than in SFY10, and SFY11 wage withholding collections, which were almost \$5 million more than in SFY10.

Bench Warrant Sweep Project Produces Positive Results - CSED's Statewide Bench Warrant Program has proven to be a success for New Mexico's custodial parents and their children.

- The total collected from non-custodial parents who voluntarily came into CSED offices across the state to take care of their bench warrant before being arrested was \$84,827.

- The total collected following the arrests of non-custodial parents was \$89,755. These funds go directly to the people they were owed – the children.
- From January 2011 to July 2011, a total of \$245,188 (\$35,027/month) was collected from bench warrants. Since the implementation of the Bench Warrant Program, collections in the last five months of 2011 beat out the previous seven months of the year with CSED collecting \$256,093 (\$50,200/month), an increase of 43.5% over the previous seven months.
- The Bench Warrant Program also helped increase overall collections from bench warrants from the previous calendar year. In 2010 CSED collected \$369,545 and in 2011 the collection was \$501,280, a 36% increase over the previous year

“The Bench Warrant Program has been a far more successful program than the publication of the 25 Most Wanted program ever was,” said Stephen Klump, CSED Acting Director. “Many thanks to Governor Susana Martinez, Secretary Sidonie Squier, Deputy Secretary Charissa Saavedra and Communications Director, Matt Kennicott, as well as law enforcement agencies across New Mexico for their support of this initiative.”

Program Update

Paternity Establishment Percentage (PEP) Increase - Effective September 2010, the Child Support Enforcement Division began including all emancipated dependents whose paternity was established, including dependents on cases closed during the Federal Fiscal Year. The percentage of Children in the child support caseload with Paternity Acknowledged or Adjudicated increased from 73.6% to 97.2% between SFY10 and SFY11.





CSED expanded critical child support document scanning capability to all CSED field offices statewide.

Administration

Reduction in CSED Central Office Staffing - During the past year, CSED reduced the number of Central Office employees from 66 to 44. The remaining employees assumed additional job duties that had been performed in the field offices, such as location of NCPs and CPs, resolution of undistributed collections, and centralization of the Voluntary Paternity Unit in Santa Fe to facilitate access to the Department of Health Vital Records Bureau. Staff reductions resulted from natural attrition.

Statewide Scanning of Critical Child Support Documents - CSED expanded the document scanning capability to all CSED field offices statewide. The documents that will be scanned are applications, court orders, Acknowledgement of Paternity forms, and employment letters.

Mandatory Electronic Fund Transfer (EFT) for Payments - CSED made receipt of payments via EFT mandatory as a way to reduce the amount of undistributed collections and to reduce the cost of producing and mailing paper warrants. Effective September 2011, 85% of all disbursements were made via EFT. Additionally, EFT payments are received faster, more securely, and are more convenient for parents.

Obligated Case Percentage Increase -

During SFY11, CSED attained a record high of 72.5% for the percent of child support cases having an obligated support order. The increase represents a 5% increase over SFY10. This will result in increased federal incentive funding for this federal performance measure.

Data Reliability Audit - In SFY11, CSED successfully passed OCSE's FFY10 Data Reliability Review (DRR), which was conducted after NM passed Data Reliability Audits in FFY04-10 for all five (5) performance measures. As a result, NM will continue to receive federal incentive funding.

Interstate Case Reconciliation (ICR) Error Rate Reduced - In SFY11, CSED reduced the error rate from 20% to 6% in interstate transactions.

Comprehensive Update to NM Child Support Regulations - The CSED completed a comprehensive review and update of the NM Administrative Code (NMAC) as it relates to the child support program. This was the first comprehensive update in almost 10 years. The updates addressed recent changes in federal and state laws and implementation of best practices to increase program efficiency.

Tribal Collaboration - In SFY11, the CSED continued to work with the Mescalero Apache Tribe and the Pueblo of Zuni CSE programs to establish a respective Governmental Services Agreement (GSA) regarding case management. CSED also provided technical and logistic support to the Mescalero Apache Tribe during the 2010 National Tribal Child Support Association conference, which they hosted.





Behavioral Health Services Division/ Behavioral Health Collaborative

As an integral member of the Behavioral Health Collaborative, the Behavioral Health Services Division (BHSD) works hand-in-hand with the Collaborative to improve behavioral health services for all New Mexicans through evidenced based practices to facilitate recovery and resiliency outcomes for people with serious mental illness and/or substance dependency. While much of the work in 2011 focused on improving or expanding existing services, other work came through the need to respond to crisis situations. BHSD continues to rely heavily on grant funding to meet its strategic goals.

The Behavioral Health Services Division (BHSD) and the Behavioral Health Collaborative work together to improve behavioral health services for all New Mexicans.

Core Service Agencies

Core Service Agencies (CSAs) began year two of an anticipated five year implementation. With 41 CSAs successfully designated last year, the coming year will continue to focus on ensuring CSAs are serving individuals with intense and complex behavioral health needs in need of a “clinical home” and implementing the infrastructure to insure the system’s sustainability and full statewide reach by 2015. Collaboration among CSAs and other providers and community resources are also being forged to insure the desired “web” of community-based care using peer, family and community supports. The work of the CSA initiative continues to be overseen by the CSA Implementation Workgroup – a collaborative body of CSAs, non-CSA service providers, consumers and family members committed to advancing quality policies and practices. As a systematic approach to clinical practice improvement among the core services agencies, our Quality Service Review experts have trained 173 staff in 23 core services agencies; and, provided individualized staff consultation on clinical supervision to 8 core service agencies.

Crisis Response to Las Conchas Fire

The Las Conchas fire, which started on June 26, 2011, was the largest forest fire in NM history, resulting in the evacuation of the township of Los Alamos for six days. Two shelters were established in Española at the Santa Claran and City of Gold Resorts. OptumHealth New Mexico, the behavioral health Statewide Entity funded by the NM Behavioral Health Collaborative, contacted three area Core Service Agencies to respond immediately to the individuals and families being

displaced. An immediate Crisis Consortium was formed, which consisted of a crisis call line to a licensed behavioral health clinician. This crisis response was in place within hours of the shelter's opening. The Crisis Consortium went the extra mile by creating a team of clinicians that made daily contacts to the shelters to check on the behavioral health needs of the displaced residents and to triage any children who may have been traumatized by the experience. The three CSA's - The Life Link, Presbyterian Medical Services and Team Builders - did an exceptional job with crisis response to this disaster.

Opioid Addiction Campaign

"No Exceptions" - Opioid addiction has increased by 300% in the last decade. New Mexico has the highest rate of fatal opioid overdoses in the country. The Human Services Department/ Behavioral Health Services Division, through the Office of Substance Abuse, sponsored the development of the video "No Exceptions" by Emmy Award winning Christopher Productions. The video has several sections in order to educate youth and families around the devastation caused by opioid addiction. The video has several components:

- Testimonials by youth who are addicted and in varying levels of recovery talking about how they became addicted and how it has impacted their life
- Families, who have addicted youths, sharing their stories on how opioid addiction has impacted their family.
- Public Service announcements to raise awareness.

DVD videos are being distributed to every school and superintendent and PTA in the state; the Head to Toe conference, which is heavily attended by school nurses, educators and administrators; and to all legislators. The desired outcome is that adolescents and parents will come to realize the extreme danger of these medications and take precautions.





The Second Judicial District Court, in partnership with New Mexico Department of Veterans Services and the Human Services Department, has created a specialty court in Albuquerque to divert certain veterans with PTSD from jail into treatment.

Expert Panel Task Force

The Behavioral Health Collaborative convened a panel of 60 experts in behavioral health in July and August to review the current design of the behavioral health system across New Mexico. This engaged group of experts from consumers, advocates, families, providers, and Collaborative member agencies discussed and made recommendations, based on their constituents input, regarding the future of behavioral health in New Mexico. These recommendations and discussions are being considered by the Collaborative in conjunction with the Medicaid Modernization process.

Federal Grants

Strategic Prevention Framework State Prevention Enhancement Grant - The New Mexico Human Services Department was awarded a \$600,000 Strategic Prevention Framework State Prevention Enhancement Grant from the US Substance Abuse and Mental Health Services Administration. The goal of the project is to enhance and align substance abuse prevention, mental health and other behavioral health systems to produce better outcomes. The Office of Substance Abuse Prevention in the Behavioral Health Services Division will collaborate with other state agencies that fund prevention activities to form a Prevention Policy Consortium.

Residential Treatment for Pregnant and Postpartum Women Grant - The New Mexico Behavioral Health Services Division received a \$1.5 million grant over three years for Residential Treatment for Pregnant and Postpartum Women. This grant will be implemented out of Carlsbad Mental Health Center for women and their young children to reside with them at the facility while they are in treatment for substance abuse. The model service program integrates trauma treatment for the mothers and children (since most of the residents are victims of multi-generational trauma) with substance abuse treatment for the mothers.

Native American Suicide Prevention - OptumHealth New Mexico, the statewide entity for behavioral health, awarded \$2 million over the next three years for Native American Suicide Prevention programs across the state. In 2011, \$900,000 was spent on programs run by tribal governments, tribal coalitions and tribal colleges, as well as for Native Americans in very rural areas with high suicide rates.

Second Judicial District Veterans Court - Veteran suicide death rates have increased over 26% from 2005-2007, many from current wars. The Second Judicial District Court, in partnership with the New Mexico Department of Veterans Services and the Human Services Department, has created a specialty court in Albuquerque to divert certain veterans with PTSD from jail into treatment. The Veterans' Court is modeled after drug/treatment courts and will address the unique needs of adults who have served in the United States Military that are involved in the criminal justice system.

Healthy Homes - The Human Services Department/ Behavioral Health Services Division was awarded a SAMHSA grant in October 2010 that funds the Healthy Homes project. Healthy Homes has created pilots in Santa Fe County operated by The Life Link and in San Juan County operated by Totah (an operation of Presbyterian Medical Services) to develop best practices in evidence-based trauma-informed Permanent Supportive Housing to adults with Serious Mental Illness and co-occurring substance use disorders who are homeless or at risk of homelessness.

Access to Recovery for Service Men & Women - Access to Recovery (ATR) is a client-choice driven three-month voucher program in which both clinical and recovery support services are provided using a state of the art voucher management system (VMS). New Mexico's ATR II program provided clinical treatment and recovery support services to 9,091 clients with substance abuse issues from December 2007 to March 2010. At the six month follow up clients reported a significant reduction in substance use. ATR client's showed a 93% increase in abstinence from substance abuse at the six month collection point. Over the last year ATR has adapted it services specifically for members of the NM National Guard.

- BHSD contracted with clinical and recovery support service (RSS) providers in Roswell to become part of the ATR network. The ATR mobile assessment site is opened to see National Guard members as of August 12th. Twenty clinical and RSS vouchers per month have been allocated for the guard in Chavez County.
- The ATR team is providing outreach across seven other counties to veterans and National Guard members in need of Substance Abuse services.





Office of Human Resources

In a year of challenging budget constraints, the Office of Human Resources (OHR) supported the Income Support Division field offices in their effort to perform crisis work where field offices experience above normal vacancy rates. OHR maintained mandated vacancy rates and adhered to the established hiring restrictions while ensuring that sufficient Full Time Equivalents (FTE) were on board to enable households to continue to receive timely benefits.

IDEAL-NM provides training that employees would not otherwise have an opportunity to have in a timely manner.

In accordance with House Bill 2, OHR transferred 16 filled positions from the Aging and Long-Term Services Department and four positions from the Department of Health (DOH) to the Human Services Department in July. Four (4) new grant funded positions were created for the Medical Assistance Division (MAD) through the Money Follows the Person Grant (MFP). OHR is assisting the Office of Health Care Reform with its goal to ensure the State complies with the new changes involved with the passage of the national health care reform and is working closely with management to make certain the office has adequate staffing in place. Positions have been relocated to accommodate the needs of the office.

The HSD OHR Training Unit has provided federal, state, department, and union mandated courses as well as professional development training online, which has been made available to all HSD employees through IDEAL-NM. This has resulted in significant cost savings by eliminating the costs of employee and trainer travel, state vehicle use, and time out of the office while providing accurate, timely and consistent information and training relevant to our employees. There are also no costs associated with the technological maintenance of IDEAL-NM; there is no time, effort, or server space required by HSD's IT Division. The OHR Training Unit serves as the course developers and system administrators for HSD.

Significant departmental cost savings have been realized due to the National Safety Council Certified Defensive Driving course which was approved for placement online by the General Services Department. These savings result from costs associated with annual ISD trainer certification, materials, fees, travel and time out of the office.

Departmental online trainings consist of HIPAA Privacy and Security; ITD Security Guidelines; Substance Abuse Awareness; Safety, Loss Prevention and Control; and Domestic Violence. IDEAL-NM also includes mandatory division specific trainings: IRS Awareness Training and Income Eligibility Verification System for ISD; and National Voter Registration Agent Training for ISD. The OHR Training Unit is also working with CSED to place mandatory trainings online for CSED employees. Courses specific to management are included, such as Unemployment Insurance Appeals; Domestic Violence; and AFSCME for Managers. Professional Development courses, such as Email Messages and Manners, and Telephone Etiquette are available to all employees.

IDEAL-NM online training is a significant cost-effective, efficient, consistent, and timely delivery method. Without consistent training, effectiveness of personnel is reduced. IDEAL-NM provides training that employees, would not otherwise have an opportunity to have in a timely manner. It assists with worker efficiency and effectiveness, and therefore, provides better service to New Mexicans.





Office of Inspector General

As part of the Human Services Department's Program Support Team, the Office of Inspector General's mission is to detect and investigate fraud in public assistance programs administered by the Human Services Department. The Office of Inspector General (OIG) does this through its four bureaus: Investigations Bureau, Fair Hearings Bureau, Medicaid Fraud Bureau, and the Restitution and Administrative Services Bureau.

There were nearly 1,500 referrals made to the OIG fraud hotline in 2011 regarding suspected fraud, waste and abuse among HSD clients.

Investigations Bureau

There were nearly 1,500 referrals made to the OIG fraud hotline in 2011 reporting suspected fraud by HSD clients. Approximately 10 percent of the referrals were opened for a full investigation with the remainder forwarded to the Income Support Division as questionable information. Cases opened and assigned to investigators resulted in more than \$800,000 in overpayments identified for collection.

- 36 cases, totaling almost \$470,000 were referred for criminal prosecution and are currently awaiting trial. (Some defendants were given conditional discharges through a district attorney pre-prosecution diversion agreement commonly used for first offense white collar crime defendants.)
- 54 cases, totaling more than \$303,000 were submitted for administrative disqualification hearings (ADH) based on documented intentional program violations (IPV) committed by HSD clients.
- 25 cases, totaling just over \$42,000 were closed as "claims only" where investigators could not prove the intent of the client to commit fraud but could show an overpayment was made. Some investigations were closed as unsubstantiated.

Medicaid Fraud Bureau

The Medicaid Fraud Bureau conducts program compliance reviews for the Medicaid Assistance Division, provides financial investigative support to the OIG Investigations Bureau as well as specialized computer security expertise to the department overall. Some of the 2011 reviews include:

- **Inmates on Medicaid:** Working with staff from the Medicaid Assistance Division (MAD), auditors reviewed cases for participants receiving Medicaid benefits while they were incarcerated at the Metropolitan Detention Center in Bernalillo County. Auditors found 62 prisoners receiving Medicaid benefits. The total amount of capitation rate payments referred for recoupment was \$236,287.
- **Medicaid Excluded Providers:** Auditors and investigators identified nine individuals (persons working for Medicaid entities but who are not the Medicaid entity themselves) who appeared on the federal Health and Human Services (HHS) Office of Inspector General (OIG) Excluded Entities/Individuals (LEIE) list. These persons were employed by New Mexico Medicaid providers during the past six years (federal statute of limitations) resulting in possible disallowed indirect costs in the amount of \$621,975 and \$9,348 in direct costs to Medicaid.
- **DEA Special Project:** Auditors and investigators conducted a joint investigation with the U.S. Drug Enforcement Agency (DEA) to review ten recipient claims and one Medicaid provider for excess writing and filling of certain types of prescriptions.

Restitution & Administrative Services Bureau

During 2011, the Restitution and Administrative Services Bureau (RSB) provided support to all bureaus within OIG. The bureau provides budgetary and financial support to all bureaus and manages the OIG fraud hotline.

- **Interim Assistance Reimbursement (IAR) Program - A Social Security Administration (SSA) review of the IAR program was completed in August 2011. Of the 68 cases reviewed, only one error was discovered. IAR collections totaled \$1,985,512**
- **The bureau's claim unit collected a total of \$1,723,845 for all HSD administered public assistance programs. The claims unit received an award for outstanding performance in claims collection from the U.S. Department of Agriculture.**
- **Public Assistance Reporting Information System (PARIS) - The Public**





The Administrative Law Judges of the Fair Hearings Bureau conduct hearings for the public assistance programs administered by HSD.

Assistance Reporting Information System is a national data match with other states to determine if public assistance recipients are now living in another state. Cases are then closed in New Mexico, resulting in costs savings to New Mexico taxpayers. The cost avoidance in the PARIS program for HSD is \$2,899,900 since it began in 2009. The current focus of PARIS is to identify clients eligible for Veterans Administration (VA) benefits who might be moved from the Medicaid program to VA programs reducing Medicaid costs but providing continued medical services to veterans.

Fair Hearings Bureau

The administrative law judges of the Fair Hearings Bureau conduct hearings regarding public assistance programs administered by HSD. The bureau holds hundreds of hearings each year for more than 17 different categories of public assistance programs. Hearing decision recommendations are submitted to HSD division directors who issue the final decision in accordance with federal and state regulations.

- In 2011, the Fair Hearings Bureau assumed responsibility for conducting hearings related to the state tax refund intercept program administered by the Child Support Enforcement Division (CSED) of HSD.

During calendar year 2011, the Fair Hearings Bureau received 4,452 hearing requests.

Information Technology Division

It was a very busy 2011 for the HSD Information Technology Division (ITD). ITD's main focus has been the activities related to the ISD2 Replacement project, now known as the Automated System Program and Eligibility Network (ASPEN), which is geared at replacing the Department's 25+ year old eligibility and benefits issuance system.

While much of the work focused on the ASPEN project, there are many other IT initiatives that keep the IT Division moving HSD into the 21st Century.

ASPEN – Automated System Program and Eligibility Network

The New Mexico Human Services Department issued a formal procurement for the replacement of the Income Support Division's current Integrated Service Delivery System known as "ISD2." The ISD2 system is an automated eligibility determination, benefit delivery, and case management system that supports the administration of the Department's assistance programs that is over twenty-five years old and is mainframe based. The current system processes eligibility determination, benefit calculations and delivery, and establishment of claims, as well as interfaces with other systems within the Department, including the Child Support Enforcement System (CSES) and the Medicaid Management Information System (MMIS). The system also interfaces with external entities including other New Mexico state agencies, federal agencies, and contracting support agencies.

In late December 2010, the department issued a formal procurement (RFP No. 10-630-00-17771) for integration and implementation professional services. Based on the evaluation performed of the proposals that were submitted, the evaluation committee recommended to the Department Secretary the selection of Deloitte Consulting, LLP to perform the scope of work as outlined in the ISD2 System Replacement Project (ISD2R). The evaluation committee determined that, overall, Deloitte's approach and response were considered the most advantageous solution for the Department and the State of New Mexico. The contract total for the base system is \$59,458,973, with a four year term.

GOAL 1

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Assistance Programs

GOAL 2

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Get Back to Work

GOAL 3

Assist Parents with
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Responsibilities

GOAL 4

Improve Behavioral
Health Services

GOAL 5

Improve
Administrative
Effectiveness &
Simplicity



ITD's main focus has been the activities related to the ISD2 Replacement project, now known as the Automated System Program and Eligibility Network (ASPEN).

The scope of work for the replacement of the current functionality within the ISD2 system incorporates the functionality of other applications, including, but not limited to, workflow and tracking functionality, Low Income Home Energy Assistance Program (LIHEAP); Claims; and New Mexico Works tracking systems. The project scope also included replacing or incorporating the existing customer web-portal known as Your Eligibility System New Mexico (YES-NM). The replacement system shall meet the implementation requirements of Patient Protection and Affordable Care Act (PPACA) by January 1, 2014.

With ASPEN being a major initiative for the Department and the State of New Mexico, three other contractors assist in ensuring this project is successful. They are:

Dewpoint, Inc.—Dewpoint was selected as the contractor for the Project Management Office (PMO); this contract was awarded as a result of RFP No. 10-630-4000-0006. The contract term is for the duration of the ASPEN Project and shall not exceed a four year period; compensation for the term of this contract is \$4,562,051. Dewpoint is tasked with providing professional services for a full-time, on-site Information Technology (IT) PMO. Services requested of the PMO are to include: assisting in the development of the integrator RFP, drafting of: Federal reports, State reports, and all communications necessary for the success of this project. The PMO is also responsible for facilitating the implementation of the ASPEN Project, including developing the overall strategy and Project Management Plan to meet the goals and objectives outlined in the project charter, gaining stakeholder agreement the planning.

POD, Inc.—POD was selected as the Independent & Validation (IV&V) contractor to oversee and validate the PMO contract to provide professional services for IV&V of a full-time, on-site IT PMO. As the IV&V contractor, POD was tasked to perform IV&V aspects of the Planning Phase of the ASPEN Project with regards to the PMO contract. The contract with POD, was issued against Statewide Price Agreement No. 10-630-00-17704 for one-year. However, in an effort to be more effective, the department found that by streamlining multiple IV&V contracts into a single effort, the project had greater continuity. Additionally, over the life of the project, this change would be more cost-effective.

The total compensation for the one-year period of IV&V professional services, was \$64,948 for the planning phase of the project.

Cognosante, LLC—Cognosante was selected as the Independent & Validation (IV&V) contractor to oversee and validate the integrator contract that was awarded to Deloitte, LLP. Cognosante provides professional services for IV&V to verify that project management processes are in place and adhered to on a continuous basis. Project management processes for ISD2R are of critical importance to the project. Cognosante will validate the following:

- development of and adherence to a project management plan;
- tracking of tasks against the approved project management plan;
- development of and adherence to risk management, issue management, change management, and project communications processes;
- formal deliverables submission process, review process, and sign-off process; and
- regular status reporting of project progress against plan.

Cognosante will also verify that functional requirements are developed to sufficient detail, tracked against the contractual set of initial functional requirements, and traceable from definition through implementation. Other verifications tasks include IV&V review of all phases of the ISD2R. As part of the IV&V process, reports are to be completed and filed with the Department and the Department of Information Technology bi-monthly.

Other Initiatives:

- After a substantial amount of effort, the “eEmployer” web portal was restored for Child Support Enforcement Division (CSED) clients in March 2011. Consistent with the mission to maximize the collection of child support for all New Mexico children, this portal enables employers the online ability to provide and update non-custodial parent employment and insurance information in a safe and secure environment. This effectively makes a paper process electronic and reduces postage and manual processing costs.





This year health systems in the US had to prepare for the new medical claims standards related to Health Insurance Portability and Accountability Act (HIPAA).

- The CSED IT system was modified in May 2011 to reduce the processing time for accurate, real-time accounting reports of child support case balances. To meet the CSED goal of timely quality service, the benefit of this change significantly reduces the time and effort required to prepare court cases from several hours of manual calculations to a few minutes. It also allows CSED staff to inform customers (custodial and non-custodial parents) of current balances and case status.

- This year health systems in the US had to prepare for the new medical claims standards related to the Health Insurance Portability and Accountability Act (HIPAA). Dubbed "HIPAA 2", the IT Division provided project management support to the Medical Assistance Division during the upgrade of New Mexico's MMIS to the federally mandated HIPAA-2/5010 transaction protocol. At the end of calendar year 2011, testing was successful to enable the modifications to go into production to meet the January 1, 2012 deadlines.

Administrative Services Division

Support services, financial control and reporting activities for more than \$4.5 billion department are provided by the Administrative Services Division (ASD). With offices located statewide and over 1,900 employees, ASD provides centralized support services including property management, loss control, and financial processing/management and federal reporting to each agency program to ensure accountability and compliance with state and federal mandates. HSD focused on continued administrative efficiencies that have resulted in improvements for both the Department and services provided through the Department.

- Continued improvement in invoice processing from an average of 78% paid within 30 days of receipt in Fiscal Year (FY) 2008 to 93% in FY 2009 to 97% in FY 2010 and 98% in FY 2011.
- Completed a mass enrollment of custodial parents into the Child Support Pre-Paid Debit Card Program; 6,106 custodial parents have activated their new cards, combined with custodial parents enrolled in direct deposit; 86% of all child support disbursements are now done electronically.
- For the fifth consecutive year, HSD finished its audit on time and received an unqualified opinion on the agency audit with no material weaknesses.
- Continued improvement in collection process for Drug Rebate Analysis and Management System (DRAMS) resulted in 17.45% increased collection in FY 2011 (4,522,814.21) compared to FY 2010 (3,178,635.63).
- Continued improvement in collection process from other state agencies resulted in 9% increased collection in FY 2011 (98%) compare to FY 2010 (89%).



Financial Report - Governmental Funds Balance Sheet

June 30, 2011

	General	ARRA
ASSETS		
Cash	250	-
Interest in the State Treasurer General Fund Investment Pool	-	-
	250	
Receivables		
Federal grants - net	42,843,992	7,743,801
Accounts receivable - net	306,244	53,254
Due from other funds	2,282	-
Due from other state agencies	1,033,275	-
Due from other entites	181	-
Net receivables	44,185,974	7,797,055
Supplies and commodities inventory, other	137,398	-
Total assets	44,323,622	7,797,055
LIABILITIES AND FUND BALANCES		
Accounts payable	7,203,739	-
Accrued payroll	3,143,308	121
Healthcare services payable	-	2,663,740
Due to State Treasurer General Fund Investment Pool	22,718,988	4,778,544
Reversion payable to State General Fund	89,618	-
Other liabilities	394,782	-
Due to other funds	605	556
Due to other state agencies	15,026,874	-
Deferred federal revenue	174,668	-
Due to other entities	291,272	354,094
Total liabilities	49,043,854	7,797,055
Commitments and contingencies		
Fund balances (deficit)		
Nonspendable - inventory	137,398	-
Restricted	304,868	-
Committed	-	-
Assigned	-	-
Unassigned	(5,162,498)	-
Total fund balances (deficit)	(4,720,232)	-
Total liabilities and fund balances	44,323,622	7,797,055

Data Processing Appropriations	Income Support L Warramts	Income Support N Warrants	Medical Assistance	Total Governmental Funds
-	-	-	25,000	25,250
3,800,823	-	3,604,712	-	7,405,535
3,800,823	-	3,604,712	25,000	7,430,785
411,330	667,457	4,140,678	173,917,523	229,724,781
-	-	9,203	12,250,387	12,619,088
167	-	563	-	3,012
-	-	-	14,430,129	15,463,404
-	-	-	-	181
411,497	667,457	4,150,444	200,598,039	257,810,466
-	-	169,071	-	306,469
4,212,320	667,457	7,924,227	200,623,039	265,547,720
283,511	22,188	6,476,946	1,830,286	15,816,670
1,775	-	58,987	-	3,204,191
-	-	-	153,731,211	156,394,951
-	399,750	-	85,215,935	113,113,217
219,217	-	172,367	5,842,361	6,323,563
4,209	-	21,256	204,132	624,379
92	-	1,759	-	3,012
-	245,519	160	735,363	16,007,916
-	-	169,071	40,265,235	40,608,974
-	-	64,377	-	709,743
508,804	667,457	6,964,923	287,824,523	352,806,616
-	-	-	-	137,398
-	-	-	-	304,868
3,703,516	-	959,304	-	4,662,820
-	-	-	-	-
-	-	-	(87,201,484)	(92,363,982)
3,703,516	-	959,304	(87,201,484)	(87,258,896)
4,212,320	667,457	7,924,227	200,623,039	265,547,720

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