



**New Mexico
Human Services Department
Annual Report
2017**





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** As of the filing of this report, the following personnel changes have been made.*

Amber Carrillo, Native American Liaison; Michael Nelson, CSED Interim Director; Cheryl Thompson has retired

Message from the Office of the Secretary

Brent Earnest



The New Mexico Human Services Department (HSD) helps 900,000 New Mexicans through a variety of supportive services. The past year served as a reminder of the work our staff completes every day to ensure New Mexicans in need receive help to access health care services, put food on the table, pay their utility bills, and build job skills. In sum, our work provides these critical safety net services, but we do so with the goal of helping individuals and families on their own path to self-sufficiency.

New Mexico has made important strides in providing access to health insurance and health care over the last several years. By expanding Medicaid and establishing a state-run health insurance marketplace, New Mexico moved from the second highest rate of uninsured to beating the national average. Our state, largely because of the work of our Medicaid program, saw one of the highest reductions of insured individuals nationally. In addition, more people are accessing behavioral health services, and national studies have found significant improvement in our behavioral health system. But expanding access to insurance coverage is only one aspect of improving health.

Through reforms of our Medicaid program, known as Centennial Care, New Mexico has reduced per person costs by focusing on a ‘whole person’ approach with better integrated and coordinated health care. In 2017, we worked with stakeholders to design the second iteration of Centennial Care. Centennial Care 2.0 builds on the success of the reforms and further promotes the alignment of health care incentives -- among individuals, providers, managed care organizations, and the state -- toward better outcomes at a lower cost.

You can read more about this effort in this report. You’ll also find:

- We expanded connections to behavioral health services through the State’s 24/7 Crisis Line, and New Mexico dropped in the number of overdoses from the opioid epidemic due to our increased efforts and education of Naloxone.
- Innovative and effective enforcement practices were created to collect child support payments.
- HSD worked with the Department of Health to create easier access to long-acting reversible contraception. That initiative played a key role in reducing the teen birth rate across New Mexico.
- The Health and Human Services 2020 plan began to take shape — ultimately, improving the way State government engages and assists New Mexicans.
- Topping off the year, HSD submitted its waiver request to the federal government for Centennial Care 2.0, beginning January 1, 2019, and selected three new Managed Care Organizations to provide Medicaid services to New Mexicans. Western Sky, Blue Cross Blue Shield of New Mexico and Presbyterian Health Plan were selected to service as managed care organizations in 2019. In 2018, the new MCOs will be preparing for open enrollment and their new contract in 2019.

HSD is looking forward to 2018 with a strong team that provides excellent services for the thousands of New Mexicans who depend on them daily. It is our hope this annual report will provide a snapshot into our work. This illustration will share our many successes and our goals as we move forward into 2018. We also wish to take this opportunity to express our gratitude for the hard work and dedication of our team – the entire staff of the New Mexico Human Services Department.

Native American Liaison

Theresa Belanger



The New Mexico Human Services Department continues to work on building a strong relationship with the 23 Tribes, Pueblos and Nations. The Cabinet Secretary acknowledges the importance of conducting consultation in compliance with the State Tribal Collaboration Act (STCA) and renews commitment to the HSD State-Tribal Consultation, Collaboration and Communication Policy. The HSD Native American Liaisons work closely with Tribal communities on issues related to Child Support Enforcement Division, Income Support Division, Medical Assistance Division, and Behavioral Health Services Division. They are a direct resource to Tribal leadership, Indian Health Service (IHS), Tribal programs, and Urban Indian programs (collectively known as ITUs).

The Department has worked with Tribal leadership to create standing Native American committees and work groups for the purpose of identifying and addressing concerns. HSD decision-makers, Tribal leadership appointees, and IHS management continue to work on issues of common concern. MAD and ISD work with the Native American Technical Advisory Committee (NATAC). There are 18 Tribal appointments to the Committee and leadership representation from both Navajo and Albuquerque Area Offices, as well as the All Pueblo Council of Governors (APCG). The NATAC meets quarterly and is an integral part of the Department's work with Tribes and ITUs. BHSD meets bimonthly with the Native American Sub-Committee (NASC). These committees are at the core of communication and collaboration.

Medicaid Services to Native Americans

The total Native American expenditures for Calendar Year 2016 were as follows; Fee For Service approximately \$328 million, Long-Term Services and Supports approximately \$72 million, and Personal Care Services approximately \$65 million. Medicaid is reimbursed at 100 percent Federal Medical Assistance Percentage (FMAP) match for Native Americans who receive services through an IHS, Tribal 638s or Urban Indian organization, but many Native Americans receive some outreach of those systems.

Total Native Americans Medicaid Enrollment 129,296	
Medicaid Fee-for-Service	Centennial Care
83,560	45,736

The Medical Assistance Division continues to work with the University of New Mexico, Indian Health Service and Tribal 638s on the 100% federal funding for services received through an IHS/Tribal facility and furnished to Medicaid eligible American Indians and Alaska Natives (SHO#16-002). IT and clinical teams for both IHS and UNM have met several times to test claims through the referral, scheduling and documentation sharing processes.

Income Support Division Services to Native Americans

In 2017, Memorandums of Agreement for the ISD Food Distribution Program on Indian Reservations (FDPIR) and the Supplemental Nutrition Assistance Program (SNAP) were renewed with 15 Pueblos and the Navajo Nation. Governmental Service Agreements exist with the Albuquerque IHS Area Office to place Family Assistance Analyst employees on location for the purpose of accepting and processing applications for various program services including SNAP, General Assistance (GA), Temporary Assistance to Needy Family's (TANF), and Medicaid.

**Native American Income Support Division Recipients
by Program**

January 1, 2017 to November 30, 2017

Program	Overall Enrollment (Monthly Average)	Expenditure
Education Works	34	\$47,412
General Assistance *	217	\$582,430
TANF *	2,306	\$2,878,742
LIHEAP *	1,115	\$1,056,470
SNAP	77,565	\$102,260,416
<i>* This number does not include the tribally operated programs.</i>		

Child Support Enforcement Division Services to Native Americans

CSED has a dedicated attorney who is licensed to practice in the tribal courts of Zia, Acoma, Isleta, and Laguna Pueblos. In 2017 there were more than 325 active child support cases in these Pueblos. The Pueblos of Zia, Acoma, and Laguna have entered into a formal Governmental Services Agreement with CSED. Revisions to a longstanding Joint Powers Agreement were finalized with the Navajo Nation.

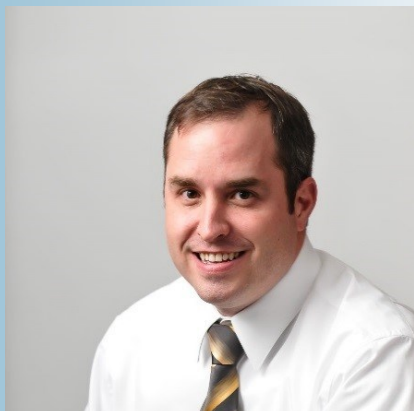
Behavioral Health Services Division Services to Native Americans

The BHSD Native American 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. The following Native American programs receive Non-Medicaid funding:

- ⇒ Five Sandoval Indian Pueblos, Inc.
- ⇒ Dine Council of Elders
- ⇒ First Nations Community Healthsource
- ⇒ The Life Link
- ⇒ PMS – Total 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
- ⇒ Santo Domingo Tribe
- ⇒ Kewa Veteran Outreach

Chief Information Officer

Sean Pearson



Throughout 2017, the Information Technology Division (ITD) maintained its focus on collaboration with other HSD divisions and state agencies in planning and executing the Medicaid Management Information System (MMIS) Replacement (MMISR) project, the Child Support Enforcement System Replacement (CSESR) project, and the Health and Human Services 2020 (HHS 2020) initiative. Below are some highlights of ITD's 2017 accomplishments.

Health and Human Services (HHS) 2020

The HHS 2020 initiative focuses on a citizen-centric approach to health and human services delivery which employs enterprise approaches to achieve economies of scale and to enable New Mexicans to most efficiently obtain public assistance benefits and services they need. Consistent with this, ITD has been implementing a strategy to support all New Mexico HHS programs with enterprise technologies, governance, and processes. The vision for this technology and services-based framework will provide a flexible and scalable framework to meet current and future programmatic needs, improve customer experience, enable advanced analytics that provide insights into programmatic outcomes, and help to improve population health and well-being across New Mexico.

MMIS Replacement Project and Modernization

In 2014, ITD and the Medical Assistance Division (MAD) launched a project to replace the critical MMIS that supports essential Medicaid functions. During 2017, ITD and MAD continued planning for the MMISR project and began executing a series of procurements to complete MMISR and to support the HHS2020 framework. This work included the release of the Systems Integrator (SI) and Data Services (DS) requests for proposals (RFPs), updating required Federal advanced planning documents needed to ensure federal financial participation (FFP) funds for the project, and submitting a C2 Special Appropriation Request for State Fiscal Year 2019. Enrollment functions for Medicaid were integrated into the HSD's Automated System Program and Eligibility Network (ASPEN) in 2017, further aligning the HSD with the goals of Medicaid modernization and HHS 2020. ITD also restructured the state led Project Management Office (PMO) to better support MMISR, CSESR, and the HHS2020 initiative by providing comprehensive project management, planning, technical, and procurement support.

Child Support Enforcement System Replacement Project

In support of the citizen-centric focus and enterprise approach of HHS 2020, it is crucial that the HSD also replace the legacy Child Support Enforcement System (CSES) in the next few years. In 2017, the HSD encountered funding and resources challenges for the CSESR project and ITD and CSED refocused efforts on further planning for CSESR and preparing for delays to implementation.

Additional ITD Accomplishments

ITD operations staff provided infrastructure and help desk services for the agency and performed several small technology refresh projects during 2017, including a hardware refresh of laptops and an Oracle Exadata replacement. ITD operations, along with program and vendor staff, led a successful disaster recovery test for ASPEN in September 2017.

ITD application development staff provided maintenance for many of the HSD's applications critical to the HSD programs and completed a couple of pivotal projects in 2017. The application development team built the Integrated Commodities Supplemental Food Program Operating System (ICOS), an inventory application which works to improve the health of low-income older persons 60 years of age and older, by supplementing their diets with nutritious U.S. Department of Agriculture (USDA) commodity foods. Additionally, the application development team worked in collaboration with the Department of Information Technology and the Department of Finance and Administration to implement Cash Remediation in several systems in support of the Statewide Human Resource, Accounting, and Reporting system's (SHARE) new cash management process.

Medical Assistance Division

Nancy Smith-Leslie, Director



More than 41 percent of New Mexicans (approximately 862,000 individuals, including 376,000 children and 251,000 in the Adult Expansion) currently 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. This represents a decrease of 43,000 total recipients from last year and an overall increase of 287,000 recipients since 2013. The fiscal year 2018 budget for the Medicaid program is \$5.7 billion (state and federal dollars).

Centennial Care

HSD implemented its Medicaid managed care program, Centennial Care, on January 1, 2014. Approximately 676,000 members are enrolled in the program administered by four managed care organizations (MCOs). Over the past three 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 (CHWs); 3) advancing value-based purchasing 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 and 4) encouraging personal responsibility through a member rewards program that incentivizes member engagement in healthy behaviors.

Emphasizing Patient-Centered Care

- More than 900 care coordinators serve approximately 46,000 members in higher levels of care coordination.
- Through an "Unreachable Member Campaign" (September 2014 through June 2016), 89 percent of active members who were identified as "unreachable" were reached and assessed.
- More than 333,000 members are receiving care through Patient-Centered Medical Homes (PCMH).
- Approximately 35,000 members are enrolled in the long-term care program with 27,800 members receiving home and community-based benefits.
- More than 100 CHWs are either contracted with or employed by the MCOs to assist members with referrals and educate them to navigate the healthcare system.
- Health Homes for individuals with complex behavioral health needs launched on April 1, 2016, serving approximately 700 members in San Juan and Curry counties.
- MCOs are partnering with community agencies, such as Emergency Medical Technicians, to visit members in their homes to conduct healthcare screenings and respond to health concerns.

Supporting Provider Capacity

- Maximizing Scopes of Practice for certain providers.
- MCOs are expanding their use of telemedicine office visits, including behavioral health visits, and launching virtual physician visits that may be accessed via an application on a smart phone.
- CHWs are trusted members of the community who work within the local health care system in rural, frontier, tribal and urban areas. CHWs have been referred to as community health advisors, lay health advocates, Promotoras, outreach educators, community health representatives, peer educators, and community connectors. They are in a unique position to provide interpretation and translation services, culturally appropriate health education, and, informal counseling and guidance on health behaviors, while encouraging self-efficacy. CHWs also serve as liaisons between the member and the health care system by assisting them in obtaining needed care.
- Federally Qualified Health Centers (FQHCs) are actively engaging CHWs, including PMS, HMS and First Choice.
- MCOs are partnering with UNM to expand the role of CHWs – care coordination, health education, health literacy,

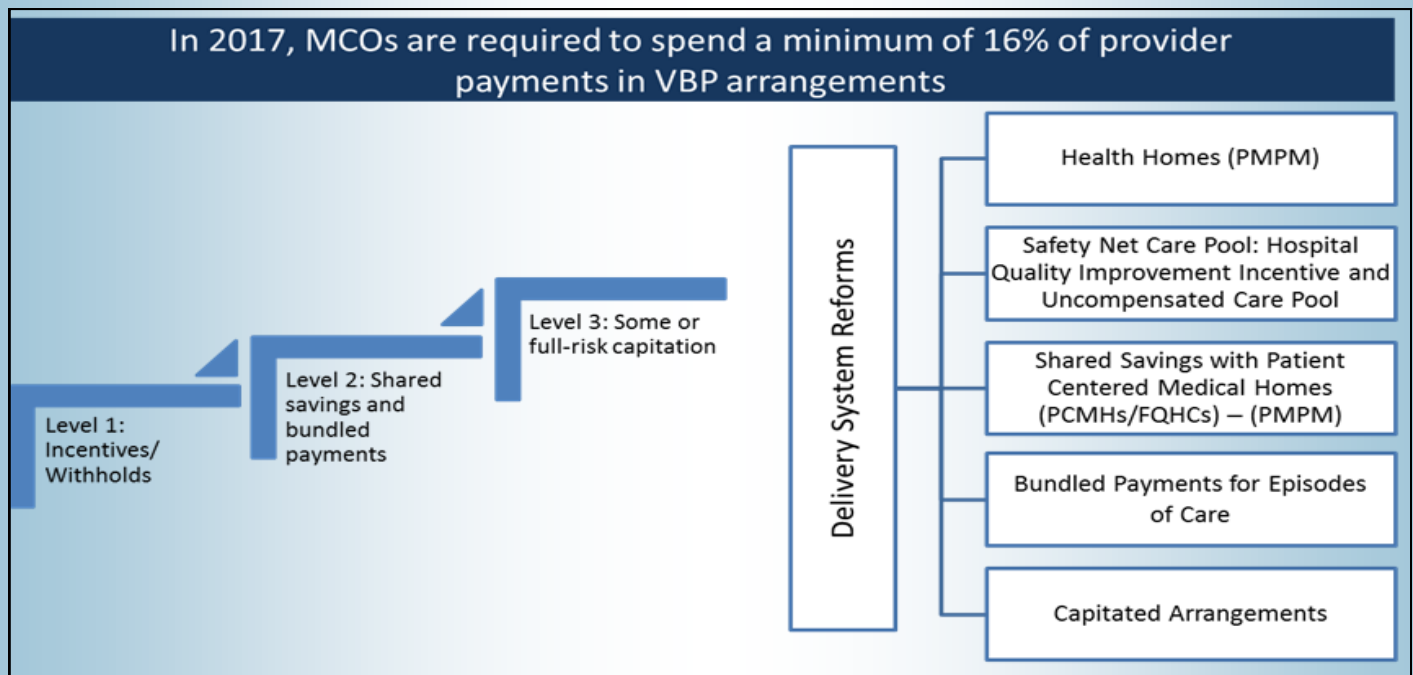
translation and community supports linkages.

- Statewide implementation of the electronic visit verification system (EVV) for personal care services (PCS) providers was completed

Advancing Value-Based Purchasing Arrangements

A key program goal of Centennial Care has been to pay for value and not solely for volume of services rendered by rewarding providers for achievement in quality of care and improved member health outcomes. In 2015, HSD implemented payment reforms through a variety of pilot projects to test their effectiveness and to begin to engage providers in changing reimbursement methodologies to more effectively align with quality outcomes.

After testing a variety of payment reforms through multiple pilot projects implemented by the MCOs, HSD required, through specific contractual provisions, that the MCOs have a prescribed percentage of all provider payments in one of three levels of VBP payment arrangements. For Centennial Care 2.0, HSD will continue to increase the overall percentage of provider payments covered under a VBP arrangement and expand the types of providers covered in various models while also focusing on arrangements for behavioral health, long term care and nursing home providers. In 2017, the MCOs were required to have 16% of provider payments in value-based arrangements across three different levels, with level one at the lower end of the risk continuum and level three at the higher end as illustrated below.



As part of its delivery system reform initiatives, HSD has implemented other payment reforms through Health Homes and the Safety Net Care Pool (SNCP) Hospital Quality Incentive Initiative (HQII) pool. It has also required the MCOs to increase the number of members receiving care in PCMHs.

The SNCP is comprised of two programs: the Uncompensated Care (UC) pool and the HQII pool. Today, the UC pool provides funding to 29 eligible hospitals (formerly known as sole community provider program hospitals) for their uncompensated care. The payments are structured to provide funding to the smallest hospitals first, and then to medium-sized and lastly to largest hospitals, based on available funding.

The HQII Program incentivizes participating hospitals to meaningfully improve the health and quality of care of the individuals they serve who are Medicaid eligible or are uninsured. Beginning in 2015, the HQII Program evaluated and rewarded hospitals based upon essential quality measures for urgent improvements in care including:

- All cause readmissions;
- Obstetrical adverse events (without instrument);
- Postoperative deep vein-thrombosis or pulmonary embolism;
- Surgical site infections;
- Ventilator associated events;
- Adverse drug events;

- Catheter-associated urinary tract infections;
- Central line associated blood stream infections;
- Injury from falls and immobility; and
- Obstetrical adverse events (with instrument) and pressure ulcers.

Each hospital's HQII activities are consistent with the State's quality goals, as well as CMS' overarching approach for improving health care through the simultaneous pursuit of three aims: better care for individuals (including access to care, quality of care, and health outcomes), better health for the population, and lower cost through improvement (without any harm whatsoever to individuals, families or communities).

As HQII advances into the final years of the current Centennial Care waiver, measures are evolving toward population-focused improvements including diabetes short-term and long term complication rate, adults with asthma admission rate, heart failure admission rate and bacterial pneumonia admission rate.

Encouraging Personal Responsibility

One of the core principles of the Centennial Care program is to encourage greater personal responsibility of members to facilitate their active participation and engagement in their own health so they can become more efficient users of the health care system. Centennial Care required the MCOs to provide a member rewards program that offers incentives to members to become more actively engaged in managing their health.

Centennial Care established a member-based rewards program known as Centennial Rewards, which was designed to encourage members to actively participate in their health care and drive improvements in health outcomes. It required the MCOs to collaborate and procure a vendor to implement a member rewards program. The MCOs selected the company Finity to administer the program, which was launched in the spring of 2014.

Any Centennial Care member enrolled in a MCO may participate in the Centennial Rewards program and receive points for engaging in and completing healthy activities and behaviors, including:

- Healthy Smiles, which rewards annual dental visits for adults and children;
- The Step-Up Challenge, which rewards completion of a three-week or nine-week walking challenge;
- Asthma Management, which rewards refills of asthma controller medications for children;
- Healthy Pregnancy, which rewards members who join their MCO's prenatal program;
- Diabetes Management, which rewards members who complete tests and exams to better manage their diabetes;
- Schizophrenia and/or Bipolar Disorder Management, which rewards members who refill their medications; and Bone Density Testing, which rewards women age 65 or older who complete a bone density test during the year.

Members who complete these activities earn credits, which may be redeemed for items in a Centennial Rewards catalog.

In 2016, approximately 70% of Centennial Care members participated in the Centennial Rewards program. Some of the demonstrated health outcomes for these members have been:

- Inpatient admissions have decreased among participants in the rewards program, resulting in a cost-savings of approximately \$23 million in 2015;
- The average redemption rate of earned rewards is 24%, with the notable exception of the Step-Up Challenge, which has a redemption rate of 85%. This suggests that the proactive enrollment required for the Step-Up Challenge has had a substantial positive impact on member use of their rewards;
- Overall cost-savings attributed to the Centennial Rewards program increased by one-third from 2014 to 2015. Reduced inpatient admissions and costs per admission have been the dominant driver behind cost-savings across conditions;
- Participants across all conditions had higher compliance with Healthcare Effectiveness Data and Information Set measures and other quality outcomes than non-participants; and
- A comparison of risk scores indicates that higher risk members tend to participate in the Centennial Rewards program.

Measures of Success

Interim evaluation results from an independent evaluator of the Centennial Care program shows:

- Increase in member utilization of newly available Behavioral Health services (respite, family support, and recovery services);

- Increase in the number of unique members receiving Home and Community-Based services, and an overall increase in Home and Community Based services provided;
- Decline in inpatient claims exceeding \$50,000;
- Decrease in hospital admission rates across all five ambulatory care sensitive measures (short and long term diabetes, asthma in children and younger adults, chronic obstructive pulmonary disease or asthma in older adults, and hypertension);
- Decrease in hospital readmission rates;
- Positive shifts in pharmacy utilization where usage of generic drugs is more prevalent than brand drugs;
- Increase in the number of members enrolled in the Centennial Rewards program; and
- CAHPS survey results indicating that members are generally satisfied with their care coordination and personal medical provider.

MCO performance on HEDIS measures met or exceeded 2016 national benchmarks for:

- Annual dental visits;
- Behavioral health members with a follow up visit within 30 days after an inpatient stay;
- Follow up care for children prescribed medication for attention-deficit/hyperactivity disorder ;
- Children receiving appropriate medication for upper respiratory infections;
- Adult members with diabetes who received a retinal eye exam; and
- Number of members who had two or more additional services after initiating treatment for alcohol and other drug dependency treatment.

In overall performance of its long-term care program, New Mexico ranks in the second best quartile in the nation. In the 2014 National State Long-term Scorecard published by the AARP and the Commonwealth Fund, New Mexico's LTC system is especially strong in terms of:

- Affordability and access (top quartile);
- Choice of setting and provider (top quartile); and
- Effective transitions across settings of care (second quartile).

New Mexico ranks first in the nation for spending more than 65 percent of its Medicaid long-term care dollars on home and community-based services.

HSD launched a super utilizer project in September 2015, identifying members in each MCO for targeted care coordination with the highest Emergency Department (ED) utilization. The MCOs continue to develop and apply care coordination interventions to reduce ED utilization, such as arranging for provider appointments, providing member education, establishing relationships with ED facilities, notifying providers of member with high ED utilization and engaging CHWs and peer support specialists to reach out to members. As of September 2017, ED visits for all active members in the project decreased from 251 to 112 in a 12 month period.

Molina continued with their care coordination pilot program with the Metropolitan Detention Cent (MDC) in Albuquerque to develop and implement effective methods to positively impact recidivism and improve public health. As of November 2017, 334 members have agreed to participate in care coordination prior to release. Since June 2016 the project has shown a 24% decrease in inappropriate emergency department use, a 4% decrease in inpatient utilization and a 4% decrease in recidivism. Molina is working to expand efforts of engaging with the justice-involved population to 27 detention centers statewide.

HSD continued to improve its automated JUST Health program, in which eligibility is suspended (rather than terminated) for individuals who are involved in the criminal justice system to ensure timely access to health care services upon reentry into the community. In 2017, HSD suspended eligibility for 7,324 inmates, and reactivated eligibility for 5,876 justice-involved individuals leaving prison, jail, or juvenile detention. In addition, nearly 3,000 applications were submitted on behalf of justice-involved individuals, with 2,668 being approved for ongoing Medicaid.

Centennial Care MCOs have been required to increase the use of CHWs by 10% annually and have effectively been employing and contracting with more than 100 CHWs. New Mexico's Medicaid program has been featured in several recent articles about advancing the use of CHWs.

Centennial Care Waiver Renewal

In September 2016, HSD appointed a diverse group of stakeholders to participate on a subcommittee of the Medicaid Advisory Committee to provide feedback regarding the renewal of HSD's Section 1115 Demonstration Waiver authorizing Centennial Care. The subcommittee met over a five-month period and was charged with developing a set of recommendations for refining key initiatives of Centennial Care. Areas for refinement include: care coordination and care integration, population health, long-term services and supports, member engagement and personal responsibility, value-based purchasing, and other issues related to program design. HSD met with the Native American Technical Advisory Committee (NATAC) over a three-month period to discuss recommendations specific to Native Americans enrolled in managed care.

HSD released a draft concept paper on May 15, 2017 and conducted statewide public input sessions and a formal Tribal consultation. In September 2017, HSD released a draft 1115 waiver application for public comment and formal Tribal consultation. The next iteration of Centennial Care is known as Centennial Care 2.0 and the final 1115 waiver application was submitted to CMS on December 5, 2017.

Medicaid Expansion and the Affordable Care Act

By the end of 2017, more than 251,000 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. In addition, the Medicaid adult dental benefit is included in the ABP.

Medicaid Eligibility and Enrollment Efforts

HSD has implemented multiple coverage efforts and IT system improvements 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 justice-involved individuals in obtaining Medicaid immediate coverage. MAD has also completed requirements to automatically suspend Medicaid benefits for justice-involved individuals who are already enrolled in Medicaid, rather than close eligibility while incarcerated.

Medicaid Management Information Systems (MMIS) Replacement Project

MAD advanced the Medicaid Management Information System (MMIS) Replacement Project in 2017 by releasing RFPs for System Integrator (SI) and Data Services (DS) with the intent to award in 2018, and preparing RFPs for Quality Assurance (QA) and Benefit Management Services (BMS) procurements.

This modular, enterprise-wide information system is primarily funded by CMS, our federal partner, and will provide more efficient and effective technical capabilities to manage complex Medicaid business and technical processes.

Once completed after several years of development and implementation, the new MMIS will provide: improved data analytics to support decision-making for cost savings and better health outcomes; capabilities for real-time eligibility and enrollment (through improvements to the ASPEN system); data-sharing among our State enterprise partners (such as Department of Health, Children, Youth and Families Department, and Aging and Long-Term Services Department); and improved financial management and public-interface capabilities.

ACHIEVEMENTS

Medicaid processing rates for applicants have improved over the past few years. For example, in 2018, Medicaid initial approvals processed timely are at 96 percent in January, up 10.4 percent from last year. Initial denials processed for Medicaid are timely and at a rate of 66.4 percent in January 2018, more than tripling the rate of January 2017. Overdue Medicaid pending applications have drastically decreased in 2017 and few remain. The number of overdue Medicaid renewals was 67,373 at the end of May 2017.

Telemedicine Professional Services (Number of visits for Rural and Frontier Members)

	2014 Behavior- al Health	2014 Physical Health	2014 Total	2015 Behavior- al Health	2015 Physical Health	2015 Total	2016 Behavior- al Health	2016 Physical Health	2016 Total	2017 Behavior- al Health (through Q3CY17)	2017 Physical Health (through Q3CY17)	2017 Total (through Q3CY17)
BCBS	1,078	91	1,169	1,213	803	2,016	2,362	2,803	5,165	1,577	1,133	2,710
MHNM	1,909	32	1,941	2,132	754	2,886	3,579	98	3,677	3,071	125	3,196
PHP	3,006	143	3,149	3,809	134	3,943	5,045	280	5,325	4,202	48	4,250
UHC	1,046	96	1,142	1,833	236	2,069	1,786	1,000	2,786	3,254	1,547	4,801
TOTAL	7,039	362	7,401	8,987	1,927	10,914	12,772	4,181	16,953	12,104	2,853	14,957

* Most telehealth services provided in New Mexico are for behavioral health diagnoses.

In 2013, Medicaid behavioral health services were administered by OptumHealth New Mexico.

Child Support Enforcement Division

Laura Galindo, Director



The mission of the Child Support Enforcement Division, 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.

There were more than 68,000 families with child support cases in New Mexico in 2016, 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 TANF by collecting and disbursing child support payments. Families who are not receiving TANF or Medicaid may also apply to the CSED for services. Cases that involve TANF make up 9 percent of CSED's caseload and cases involving Medicaid benefits account for 22 percent of the caseload.

ACHIEVEMENTS

In State Fiscal Year 2017 (SFY2017), \$139.7 million in child support was collected, which is an increase of \$800,000 over State Fiscal Year 2015 collections. Eighty-five percent of the SFY2016 collections were received through wage withholdings and receipt of direct payments. The remaining 15 percent were collected through administrative actions such as tax intercepts, insurance match, lottery winnings, bank account garnishments, and unemployment compensation. There were more than 12,000 license suspensions enforced by 65 state agencies, which resulted in an additional \$1.55 million in payments in SFY2016. There were 5,372 Certificates of Compliance issued to obligors who brought an account current or entered into a payment agreement.

The 2016 Bench Warrant Roundup was successful and resulted in total collections of \$64,310. One-hundred and three (103) individuals were arrested; collectively they paid \$36,331 to be released. An additional \$27,979 was paid by 32 individuals to avoid arrest.

A needs assessment and a feasibility study were submitted to the Federal Office of Child Support Enforcement (OCSE) as part of the process for securing a replacement computer case management and monitoring system which is known as the Child Support Enforcement System (CSES).

Income Support Division

Mary Brogdon, Director



The mission of the Income Support Division of the New Mexico Human Services Department is to relieve, or minimize, poverty and to make available services for eligible low-income individuals and families through statewide programs of financial assistance, food assistance, employment assistance, and training services.

ISD provides these much needed services to about one in three New Mexicans. In State Fiscal Year 2017 an average of 247,336 families (511,219 individuals) received Supplemental Nutrition Assistance Program benefits each month, and an average of 12,088 families (31,837 individuals) received Temporary Assistance for Needy Families benefits. In addition, a total of 63,513 families received an average benefit of \$260 through the Low Income Home Energy Assistance Program.

ACHIEVEMENTS

In 2017, ISD served 960,710 individuals at our 34 offices across the state. ISD recouped \$3,019,972 in Interim Assistance Reimbursement from Social Security in State Fiscal Year 2017.

New Mexico achieved work participation rates of 54.7 percent for all families and 63.3 percent for two-parent families in Federal Fiscal Year 2016. Additionally, the New Mexico Works contractor, SL Start, averaged 326 new employments per month in 2017.

ISD distributed 8,674,068 pounds of commodity foods, valued at \$9,699,970, to New Mexico schools through the USDA Food Distribution to Schools program. Additionally, \$2,007,990 was allocated to the DOD Fresh Fruit and Vegetable Program.

Through a statewide network of regional food banks, The Emergency Food Assistance Program distributed 3,572,511 pounds of household commodity entitlement food (valued at \$2,328,824), and 2,668,834 pounds of household bonus commodities (valued at \$2,256,356).

ISD afforded funding to provide 473,313 meals at six shelters (homeless, day, and domestic violence) through the Homeless Meals Program.

Supplemental Nutrition Assistance Program (SNAP) money for applicants was processed at a rate of 98.3 percent as of January of this year. In January 2017, the approval rate was at 86.9 percent. In January, 66.5 percent of SNAP initial denials were processed by the 30th day of the month. In January of 2017, only 21.2 percent were processed by the 30th day of the month.

Expedited SNAP applications, or those needing approval by the seventh day of the month were at 82.7 percent in January 2017 and are at 97.9 percent in the same month this year.

Currently, six agencies provide HSD administered SNAP Education (SNAP Ed) services to New Mexicans. In Federal Fiscal Year 2017, 899,265 children and adults were introduced to SNAP Ed through education materials and events. Also in 2017, 152,950 individuals attended at least one class on topics such as nutrition, food budgeting, cooking, and the importance of healthy, active lifestyles.

ISD provides these much needed services to many New Mexicans. In State Fiscal Year 2017 an average of 247,336 families (511,219 individuals) received Supplemental Nutrition Assistance Program (SNAP) benefits each month, and an average of 12,088 families (31,837 individuals) received Temporary Assistance for Needy Families (TANF) benefits. As of February 2018, 222,265 families received SNAP assistance. That same month, 11,294 families received TANF assistance. In addition, a total of 63,513 families received an average benefit of \$260 through the Low Income Home Energy Assistance Program to assist in the ongoing funding of the General Assistance Program for Disabled Adults.

Behavioral Health Division, & Behavioral Health Collaborative

Wayne Lindstrom, Ph. D., Director & Chief Executive Officer



The purpose of the Behavioral Health Services Division (BHSD) is to manage the public behavioral health service system. BHSD currently has a staff of 32 that focuses on developing strategies for mental health promotion and substance abuse prevention and treatment for individuals in New Mexico. In its role as the single state behavioral health authority, BHSD works in partnership with the Medical Assistance Division (MAD) to oversee contracts with the four MCOs and to ensure provision through New Mexico's behavioral health statewide system of Medicaid benefits.

NM Behavioral Health Collaborative

The Behavioral Health Collaborative (the Collaborative or BHC) brings together agencies across state government to plan, design, and direct a statewide behavioral health system. In Fiscal Year 2018, the Collaborative membership includes 16 state agency leaders- cabinet secretaries, directors, and administrators - with a collective interest in improving behavioral

health care systems and services for all New Mexicans.

The Collaborative is required to bring together state agencies, build partnerships, and blend funding streams and works with stakeholders, such as the Behavioral Health Planning Counsel (BHPC) to improve the State's behavioral health care systems.

The Collaborative's work supports multiple statewide projects, including Centennial Care and statewide non-Medicaid behavioral health services. The Collaborative contracts with an Administrative Services Organization for non-Medicaid behavioral health services.

New Mexico is participating in the Medicaid expansion under the provisions of the Affordable Care Act (ACA), which extends Medicaid coverage to adults with household incomes below 138 percent of federal poverty level. On January 1, 2014, Centennial Care was implemented as the statewide Medicaid managed care plan under an 1115 demonstration waiver. For the first time, behavioral health services were carved into the Medicaid managed care program. This expansion of Medicaid has relieved pressure on non-Medicaid behavioral health services that have traditionally been funded through federal block grants and state general fund appropriations. In December of 2017, New Mexico submitted an 1115 demonstration waiver renewal application, to build upon the accomplishments achieved since implementation of Centennial Care. Centennial Care 2.0 identifies opportunities for continued progress in transforming New Mexico's Medicaid program into an integrated, person-centered, value-based delivery system.

The Collaborative assessed implementation of the 2016-2017 Behavioral Health Strategic Plan which focuses on finance, regulation and workforce. A final progress report was presented to the Collaborative on July 13, 2017, highlighting accomplishments in each of the three domains and facilitating discussion on opportunities for improvement and growth.

The Human Services Department's focus on behavioral health in FY 2018 continues to be on strengthening communities' resources and expanding the workforce capacity statewide. Targeted efforts have included the strengthening of integrated behavioral health services through Centennial Care, 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

Behavioral Health Collaborative Strategic Plan - An assessment of the Collaborative's Strategic Plan implementation indicated successful achievement of goals in the three domains of finance, regulations and workforce. Highlights include:

Finance

- Strengthening sustainability of services
- Implementing evidence-based practices
- Implementing innovations
- Improved value-based purchasing
- Supporting emergency management response infrastructure development
- Partnering with counties and municipalities to fund better provision of behavioral health services; development of two investment zones

Regulations

- Medicaid Management Information System Replacement to be completed by 2018, with progress on six-module procurement
- Collaboration by DOH, CYFD, and BHSD on joint standards for Crisis Triage Centers
- Treat First operating across 13 agencies in 18 local communities
- New MAD rule which allows for individuals and group recovery services, includes RNs in delivery of BH services, and eliminates requirement for certification of CCSS

Workforce

- Supporting BH Interns
- Building a more competent, multidisciplinary workforce
- Improved Reciprocity
- Technology advances
- Supervision improvements
- Developing CYFD Youth Support Services

Crisis Triage Centers - Established by House Bill 212, a Crisis Triage and Stabilization Center provides stabilization of behavioral health crises, including short-term residential stabilization. This is a LOC that has been missing in NM's behavioral health service system and was recommended for establishment by the House Joint Memorial 17 Task Force. HSD, DOH and CYFD have drafted licensing regulations and will hold public hearings on the adoption of the new rule in early 2018. The facilities will be licensed by the Department of Health, and the Program will be certified by the Human Services Department, Behavioral Health Services Division.

CareLinkNM Health Homes – NM's health homes project, CareLinkNM, was implemented in April of 2016 with two health home sites in San Juan and Curry Counties. The Health Homes serve members with chronic BH conditions and provide integrated behavioral, physical and social health care. CareLinkNM continues to develop beyond its initial sites. There are eight providers on the path to implement Health Homes in April of 2018. They are projected to serve over 10,000 Medicaid beneficiaries with the most severe chronic behavioral health diagnoses, and another 800 children/adolescents in a pilot high intensity wrap around service. Results from the first two CLNM providers have tracked other states' results in that costs actually increased during the first one or two years as these beneficiaries are now receiving the behavioral and physical health services most needed; however, data showing that inpatient, emergency and residential costs will go down after these start-up years is anticipated. The quality indicators that are being tracked surpassed all expectations in comparison to other programs and national standards.

Behavioral Health Investment Zones - In 2015, the New Mexico Legislature appropriated \$1 million for Behavioral Health Investment Zones (BHIZ) 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. The two counties, Rio Arriba and McKinley Counties have submitted plans based on strategic priorities, and implementation is underway. Successes include:

- The Rio Arriba County BHIZ successfully met legislative targets set for Behavioral Health Investment Zones in 2017. 85% of case managed clients received follow up services within 30 days of discharge from residential services, exceeding the target of

67%; 90 to 97% of individuals received two or more services within 30 days of initiating treatment, significantly exceeding the legislative target of 40%; and 44 individuals received detox services, with 77% completing the course of residential detox treatment. Other successes include:

- Rio Arriba BHIZ hired and placed a Certified Peer Support Specialist/Case Manager in the county jail to assist inmates access Medicaid, treatment, and naloxone upon release. BHIZ funds used for Vivitrol training of detention security and medical personnel to ensure that inmates are able to receive a Vivitrol injection prior to release.
- Technology portal initiated for health information and now used to case-manage all clients.
- Collaboration with DOH to respond to overdoses at Presbyterian Española Hospital.
- Development of a media campaign, “A New Normal,” aimed at reducing stigma and building compassion for individuals and families impacted by Substance use disorders and is planning a launch of the campaign in the Spring of 2018.
- McKinley County BHIZ continues to focus on providing direct, intensive services to the "top 200" chronic, repeat protective custody/public inebriation clients, moving 25 percent from the abuse/shelter cycle into the path of recovery along the continuum of services. Staff from Na’Nizhoozhi Center, Inc. continues to have multiple contacts with each of the top 200 clients, and case management services are offered to those in need. Achievements include:
- Case management services provided to individuals completing a 90-day inpatient treatment program and/or 120-day work rehab program; GED classes offered regularly.
- Increased treatment beds through a subcontract with Rehoboth McKinley Christian Health Care Services.
- Community outreach to a variety of local organizations, including the City Council, the local Behavioral Health Collaborative, and the local Health Alliance.
- The BHIZ partnership enabled the City of Gallup to successfully apply for an IHS Preventing Alcohol Related Deaths grant. This award will augment BHIZ activity by providing additional treatment and shelter care.

Treat First - The “Treat First” model of care is an approach to clinical practice improvement. The organizing principle has been to ensure a timely and effective response to a person’s needs as a first priority in approach. It was structured as a way to achieve immediate formation of a therapeutic relationship while gathering needed historical, assessment and treatment planning information over the course of a small number of therapeutic encounters. Starting as a pilot with six agencies, Treat First has expanded to 15 agencies in multiple sites. It is a coordinated effort across BHSD, CYFD, and MAD. As of September 30, 2017 3,910 clients were served utilizing the Treat First model. Treat First has been shown to achieve one of the primary goals - to decrease the number of members that are “no shows” for the next scheduled appointment because their need was not met upon initial intake. Providers participating in Treat First report positively on its impact on quality of care.

New Mexico's Crisis and Access Line - NMCAL began operations in February 2013. NMCAL is available 24 hours a day and seven days a week to respond to calls related to behavioral health crises and how to access services. It is staffed by mental health professionals who connect consumers to local providers and state agencies. NMCAL also has a peer-operated Warmline that connects callers with persons in recovery who are trained as Certified Peer Support Workers. In 2017, NMCAL handled approximately 4,000 calls per month. This includes calls on the Statewide Crisis and Access Line, the National Suicide Prevention Lifeline (NSPL), the Peer-to-Peer Warmline, and after- hours calls forwarded from New Mexico's Behavioral Health Core Service Agencies (GSA's). Current NMCAL initiatives include: development of a texting service on the Peer-to-Peer Warmline to be more user friendly to young people; staff training in best practices on Opioid Use Disorders; and engagement with the Dose of Reality media campaign and the launch of an NMCAL Public Awareness campaign with a specific focus on reaching out to those with OUD.

Network of Care - The Behavioral Health Network of Care (BH NOC) operates as the official website for the BHC. This portal can be accessed at <http://www.newmexico.networkofcare.org/mh/>. Development of the BH NOC is ongoing. Organization and/or individuals can now submit requests to post job vacancies, community events, or other public information relevant to those seeking behavioral health services. The Veterans NOC continues to improve, sharing crucial information about services and opportunities with veterans, family members, active-duty personnel, reservists, members of the NM National Guard, employers, service providers, and the community at large. This site is available at <http://newmexico.networkofcare.org/Veterans/>. The NM Department of Aging and Long Term Services posts information for seniors and people with disability at <http://newmexico.networkofcare.org/aging/>.

Federally-Funded Programs - BHSD operates a number of federally-funded grant programs, listed below:

Opioid Crisis State Targeted Response Grant, \$9.6 million, 2017-2019

- ⇒ 61 opioid overdose prevention trainings to 470 unduplicated individuals and 1,035 two-dose kits of Narcan (naloxone) distributed since July 1st, 2016. Training was provided to agencies in 14 counties, 26 law enforcement agencies, four municipal and county fire departments, nine drug treatment agencies, one Federally Qualified Health Center, Congressman Ben Lujan’s staff, and approximately 50 community laypeople. Training of pharmacy staffs is scheduled to take place in 2018.

- ⇒ Hub and spoke model initiated to train providers in Medication Assisted Treatment to increase the number of Opioid Treatment Providers and Office-Based Opioid Treatments. There are currently 19 community partners statewide participating in this initiative.
- ⇒ Nine core classroom teachers, six special education teachers and one administrator received PAX Good Behavior Game Training at Ch'oshgai Community School on Navajo Nation, reaching 157 students. Four additional Navajo Nation Tribal schools received Administrator Training. Discussion is underway with 11 additional schools in tribal areas on PAX participation and training.
- ⇒ PAX training continued at FY16 and FY17 participating schools, with 11 school districts and 167 teachers receiving training August-December 2017, reaching 3,275 students. Districts include: Bernalillo Public School District, Bloomfield School District, Chama Valley Independent School District, Cobre Consolidated School District, Deming School District, Espanola Public Schools, Farmington Municipal School District, Santa Fe Public Schools, Socorro Consolidated Schools, and Truth or Consequences Public School district, and Tucumcari School District.

Prevent Prescription Drug/Opioid Overdose-Related Deaths Grant, \$5 million, 2016-2021

- ⇒ Opioid overdose prevention training and distribution of naloxone implemented in four counties: Bernalillo, Dona Ana, Santa Fe, and Rio Arriba. Priority populations are: people who use opioids/heroin, first responders, local county jails, drug courts and jail diversion programs, programs that service high-risk youths who use prescription opioids/heroin, homeless shelters and homeless services programs, drug treatment programs, local law enforcement and fire departments, and faith-based organizations.
- ⇒ Created and implemented a culturally-competent media campaign to provide information to the public about overdose prevention and naloxone.
- ⇒ Office of Substance Abuse Prevention (OSAP) is working with Bernalillo Metropolitan Detention Center to begin an initiative to provide naloxone and training to inmates being released into the community.
- ⇒ Pilot phase completed and expansion phase will build on success and lessons learned to increase local capacity.

The grantee's sub-recipient, the Bernalillo County Community Health Council (BCCHC), created a *Strategic Prevention Framework for Prescription Drugs Grant, \$371,616 annually, 2016-2021*

- ⇒ strategic plan for raising awareness about the dangers of sharing medications; promoting collaboration between states, pharmaceutical and medical communities to understand the risks of overprescribing; bringing prescription drug abuse prevention activities and education to critical sectors of the community; and incorporating Prescription Monitoring Program data into needs assessments and planning. The plan was approved October 24, 2017
- ⇒ Implementation is underway, with technical assistance being regularly provided.

Prevention "Partnership for Success" Grant, \$8 million, 2015-2020

- ⇒ As of August 2017, strategic plans to address underage drinking and youth prescription drug abuse were approved by OSAP for seven of the nine sites and implementation of prevention strategies began. The remaining two sites experienced delays and expect to complete strategic planning and to begin implementation in 2018.
- ⇒ New Mexico Statewide Epidemiological and Outcomes Workgroup (SEOW) is providing a monthly bulletin with resources to assist sites with implementation.

Screening, Brief Intervention, Referral to Treatment Grant (SBIRT), \$10 million, 2013-2018

- ⇒ 41,765 individuals screened for substance use disorder as of December 22, 2017.
- ⇒ 7,173 individuals served with therapy, 199 referred to treatment services, 754 referred to other services such as case management or family support services.

Housing Supports, Health, and Recovery for Homeless Individuals Grant, \$5.4 million, 2016-2019

- ⇒ 268 individuals receiving Permanent Supportive Housing (housing and support services, including Supported Employment) as of September 30, 2017.
- ⇒ Two recent analyses on pre-post measures of functioning indicate a statistically significant decrease in serious depression, anxiety or tension, and trouble understanding, concentrating or remembering; a significant decrease in individuals being bothered by psychological or emotional problems; and a significant increase in utilization of services for physical complaints and mental or emotional difficulties.

- ⇒ Development of a short-term Supportive Housing Action Plan, followed by creation of a five-year comprehensive Supportive Housing Plan, finalized January 2018.

Community Mental Health Services (CMHS) and Substance Abuse Prevention and Treatment (SAPT) Block Grants

- ⇒ CMHS funds support comprehensive mental health, targeting adults with serious mental illness and children with serious emotional disturbances
- ⇒ SAPT funds support prevention and treatment of substance abuse, including services for specialized populations such pregnant women, women with dependent children and intravenous drug users.
- ⇒ Block grant funds enable BHSD to implement a comprehensive, community-based, and evidence-based approach to addressing behavioral health disorders.

Other accomplishments - BHSD has continued to support improvements to the behavioral health system of care by expanding a monthly meeting with the Behavioral Health Provider Association to include the four managed care organizations, in an effort to enable greater communication across entities and to facilitate integrated solutions to shared concerns.

Since 2015 a process has been in place 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 is investigating offering training and certification for peers to specialize in certain populations or subject-areas, i.e. veterans, supportive housing.

Administrative Services Division

Danny Sandoval, Director



The Administrative Services Division (ASD) provides HSD with support services, financial control, and reporting activities for a budget of over \$6.9 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 2016, ASD provided timely, complete, and accurate financial information by managing 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; and
- 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 2017 ASD resolved five of the seven 2016 audit findings. ASD implemented process change which allowed the Department to recover hundreds of thousands of dollars in overpayments through the Treasury Offset Program by working with IT staff, program staff and accounting staff to meet the requirements of the federal program. The 2016 audit had no findings related to federal reporting for any programs.

ASD led the way to submitting the 2017 Single and Financial Statement Audit to the Office of the State Auditor by an accelerated deadline of November 15, 2017. The auditor's opinion was that the financial statements present fairly the financial position of all HSD funds and the auditor once again had a clean opinion of HSD. The overview of financial activities for State Fiscal Year 2017 can best be seen in the statement of activities for the year ending June 30, 2017. 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 on November 1, 2017 for inclusion in the Statewide Comprehensive Annual Financial Report.

In calendar year 2017 the SHARE system completed a major upgrade in both the Human Capital Management (HCM) and Financial modules. ASD led the way for HSD to successfully implement the upgrades with minimal interruption to payments to vendors and providers and staff.

STATE OF NEW MEXICO HUMAN SERVICES DEPARTMENT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue		Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants
PRIMARY GOVERNMENT			
Governmental Activities:			
Healthcare Services	\$ 5,355,391,361	\$ 54,866,959	\$ 4,193,125,464
Financial Assistance	861,668,891	-	850,167,923
General Government	310,621,140	4,566,756	193,309,050
Total Governmental Activities	\$ 6,527,681,392	\$ 59,433,715	\$ 5,236,602,437
General Revenues and Transfers:			
State General Fund Appropriations			1,032,479,300
Reversion of State General Fund Appropriations			(17,527,803)
Transfers In			216,686,832
Transfers Out			(5,000,000)
Total General Revenues and Transfers			1,226,638,329
CHANGE IN NET POSITION			(5,006,911)
Net Position - Beginning of Year			100,112,846
NET POSITION - END OF YEAR			<u>\$ 95,105,935</u>

See accompanying Notes to Financial Statements.

Fair Hearings Bureau

David Sedillo, Bureau Chief



The Fair Hearings Bureau (FHB) processes hearing requests for public assistance programs administered by the Human Services Department, as well as hearings requested by providers contracted by the Medical Assistance Division in partnership with the Department of Health. FHB's main focus is to support a structure for scheduling and conducting hearings on all grievances associated with the Human Service Department's administered programs to ensure that due process is afforded to all parties. FHB's role is to provide impartial recommendations for program recipients, health care providers, and various divisions in and outside of HSD. FHB has the authority to render decisions on Child Support Enforcement Division (CSED) cases and Administrative Disqualification Hearing (ADH) cases. Hearings are held telephonically and in some cases, due to ADA requests, in person. All provider hearings are all held in person.

Hearing requests are received by FHB via phone calls, mail, voicemail, fax, email, or through submittals from the Medical Assistance Division (MAD) and the Income Support Division (ISD) offices located throughout the state. Requests are analyzed based on a number of aspects which include the validity of the request as it corresponds with the claimant's benefits or services received/rendered, merit, impact of adverse case-action on claimants and their families, timeliness of request, and overall effective communication between claimants and the FHB. The Summary of Evidence is the first step that provides specifics of the case before an ALJ. Some cases are automatically dismissed for administrative reasons (e.g. timeliness of the request). Other cases are abandoned or withdrawn due to lack of participation from the claimant or because the issue was resolved prior to the scheduled hearing date. For cases that result in a hearing, the ALJ conducts the hearing and writes a recommendation. Recommendations are then sent to the MAD or ISD Director's Office depending on the type of case. ALJ's write final decisions for Child Support Enforcement Division cases and for Administrative Disqualification Hearings.

ACHIEVEMENTS

There were a total of 13,379 hearing requests in 2017 (an average of 1,115 requests per month). The majority of the 2017 hearings were registered and conducted by a team of two analysts and five ALJs.

Breakdown of Case Outcomes

Case Outcome	Number of Cases
Duplicate	205
Remand	3
Dismissed	90
Waived-ADH	2
Dismissed-Not Timely	47
Upheld Dept. Action in Part	7
Withdrawn	9478
Abandoned	2942
Reversed Action	144
Upheld Department Action	461

Office of Human Resources



Cheryl Thompson and Dustin Acklin, Deputy Directors



In January 2017, the State Personnel Office (SPO) announced the centralization of Human Resources (HR) services for the State of New Mexico. The centralization proposes the move of all state agency HR divisions to SPO to provide HR services to all New Mexico state agencies. The consolidation of HR services was executed as an Executive Order by Governor Martinez in February 2017.



HSD-OHR continues to focus on providing strong customer service to the employees of the Human

Services Department. OHR's work in 2017 continued targeting the development of leaders, increased accountability, and streamlining administrative practices. The OHR Operations Section continues to analyze hiring processes to ensure HSD is promptly processing all paperwork and hiring the best suited individuals for department positions. The Compensation and Classification Section ensures that the department's positions are classified correctly and works closely with each division to maintain their positions. Additionally, the Staff Development and Training Section continued to train HSD managers to become effective leaders.

ACHIEVEMENTS

The OHR Operations Section professionally managed a variety of functions in support of human resources including recruitments, classification and compensation actions, benefit administration, hires, and terminations while adhering to state and federal regulations, policies and rules. The Operations Section posted 494 (a 17% increase to the previous year) recruitments through the state's recruiting system, NEOGOV, focusing on multi-hiring and continuous job postings to minimize the length of time it takes to fill critical field office positions.

The Operations Section also participated in the SHARE 9.2 Upgrade, which the HCM Module went live in April 2017, and the Financials Module went live in October 2017.

In October 2017, the HSD OHR Classification and Compensation unit implemented the SPO Attorney-specific Class Study, providing market-competitive salaries and greater opportunities for recruiting and retaining Attorney talent. The newly adopted classifications also created more career growth opportunity for state employees.

The Training Section of OHR manages the department online training program using the Blackboard technology platform to provide federal, state, department, division, and union mandated training requirements. Online training has been available at HSD to all HSD employees and contractors statewide for 8 years, and saves the department money in labor, time and travel for mandated trainings including HIPAA, IRS Disclosure, IT Privacy and Security, and Defensive Driving Certification, and elective trainings such as Communication.

Online training continued to expand in FY17. In FY17, HSD achieved its highest ever compliance rate of 97 percent completion of mandatory trainings via online training. The Training Unit deployed, updated, or managed 65 active online classes on Blackboard with 1811 HSD registered employees and 28,330 employee course completions. HSD Contractor training compliance records reflected 442 HSD Contractors with 1,915 course completions.

The OHR Training Section continued to provide a high degree of support to ISD for administration, maintenance, problem resolution, field support, and tracking of Income Support Division (ISD) online courses. Thirty (30) online courses are specific to ISD, which relies heavily on blended online and instructor led training.

While online training expanded, instructor-led classes and attendees declined because of the mandatory reduction in

training and support personnel and travel restrictions, leading to the discontinuance and/or adjustment of availability of instructor led classes. FY17 recorded 495 attendees in instructor-led non-leadership classes, a 70% reduction from 1624 attendees in FY16. These classes include Business Writing, Customer Service, Active Shooter, Respect in the Workplace, Conflict Communication, and Managing Employee Performance. With one remaining trainer, the focus turned to continuance of the HSD Leadership Development Program which began in 2014, with 296 supervisory personnel from 10 of the 11 HSD divisions attending the Program in FY17.

The Employee and Labor Relations (ELR) Section has and continues to work with managers and employees to comply with all Federal and State employment laws, union contracts, appropriate application of HSD Policies and Procedures, investigations, and provides coaching and mentoring to help managers effectively address personnel issues.

ELR has also continued to assist the Department's employees with medical leave coordination and accommodation in accordance with the Americans with Disabilities Act. ELR has seen an increased in all facets of their daily work. The amount of medical approvals completed for employees in 2017 have increased nearly 10% since 2016. There have been a total of 465 medical approvals completed for employees; this number is up from the 425 medical approvals completed by the Medical Issues Coordinators for 2016. In the past two years the Department has seen a 16.2% increase in medical approvals.

ELR has also experienced a substantial increase in the amount of high level disciplinary actions completed. In 2017, ELR assisted management with issuing 31 Notice of Contemplated Actions (NCA). This number is up from 21 NCAs issued in 2016, an increase of 47.6%. In addition to the increase in actions issued, the ERL has also contributed to the overall success and effectiveness of disciplinary actions as the Department has not received a disciplinary appeal of a disciplinary action in the 22 months preceding this annual report.

Office of Inspector General

Adrian Gallegos, Inspector General



The Office of Inspector General (OIG) is one of the largest state agency compliance divisions in New Mexico. The OIG is responsible for auditing the New Mexico Human Services Department's (HSD's) programs and operations as well as investigating allegations of fraud, waste and abuse in HSD administered public assistance programs, to include Medicaid and the Supplemental Nutrition Assistance Program (SNAP). The OIG is comprised of the Internal Review Bureau (IRB), which includes the Medicaid Program Integrity Unit (PIU), Investigations Bureau (IB), which includes the Technology Crimes Unit (TCU), and Central Office.

ACHIEVEMENTS

The OIG's IRB, in coordination with HSD's Information Technology Division (ITD), continues to automate 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 the OIG previously allocated to extracting data. The IRB has continued to work with the Centers for Medicare and Medicaid Services (CMS) and other HSD divisions on the CMS Medicaid and Children's Health Insurance Program (CHIP) Eligibility Review Pilot which will end in early 2018 with the completion of phase five. During the pilots, IRB reviewed over 800 cases in ASPEN, which included testing and reviewing in the ASPEN testing environment. The purpose of these CMS pilots was to prepare HSD's Income Support and Medicaid Assistance Divisions for future CMS reviews pursuant to the Payment Error Rate Measurement (PERM) program. During 2017, IRB was instrumental in their support to a significant IB investigation.

The IRB's PIU provides resources dedicated to the auditing of Medicaid providers and Centennial Care Managed Care Organizations (MCOs), and the intake of provider complaints and referral of those complaints to the New Mexico Office of the Attorney General (OAG). PIU received over 1,000 referrals in 2017, which resulted in referrals to the OAG, the OIG's IB, the MCOs and other HSD divisions. In 2017, the PIU, in coordination with other partners, provided specialized training to the OAG, specifically investigators from the Medicaid Fraud and Elder Abuse Division, to help increase the quality and efficiency of their investigations. The PIU also provided leadership, direction and training to the four MCO integrity units. The PIU was the coordinator of the CMS New Mexico Focused Program Integrity Review, the CMS Federal Fiscal Year 2015 Payment Error Rate Management (PERM) Data Processing and Medical Review, and the CMS PERM Fiscal Year 2012 and 2015 Corrective Action Plan for Medicaid and CHIP.

The IB plays a significant role within the OIG in conducting investigations, and identified over \$385 thousand in fraud, waste and abuse in 2017. The IB conducted a significant joint investigation with the United States Department of Agriculture, Office of Inspector General and coordinated the results with the United States Attorney's Office and New Mexico Office of the Attorney General. This case continues to proceed. The IB also reviewed and analyzed more than 1,900 complaints, and assigned 50 complaints as cases for investigation. The IB also referred five investigations for criminal prosecution, submitted two investigations for administrative disqualification hearings, closed 13 unsubstantiated claims, completed and referred five Medicaid provider fraud investigations, and completed and referred ten internal employee investigations to HSD for potential administrative action.

Two OIG staff make up the IB's TCU and are certified Digital Forensic Examiners (DFEs). In 2017, the DFEs conducted three digital forensic analyses on three IB cases. The DFE's work contributed to one employment termination. The DFE's were also instrumental in the significant case mentioned above and dedicated much of their time in 2017 acquiring over seventy electronic devices. The DFEs performed digital forensic analyses that revealed evidence and contributed to the findings in that investigation.

The OIG's Central Office, amongst other duties, houses the Public Assistance Reporting Information System (PARIS) matching activities for HSD. The purpose of PARIS matching is to ensure public assistance benefits, to include Medicaid and SNAP, are not duplicated between states. PARIS matching activities involved the review of over 2200 cases in 2017 which resulted in federal and state funding being reallocated back to HSD administered public assistance programs.