



**“A Look Inside the Human Services Department”
For
Albuquerque Chamber of Commerce Leadership Class
Brent Earnest, Secretary, HSD**

New Mexico Human Services Department

HSD Overview

HSD 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

FY17 HSD Goals

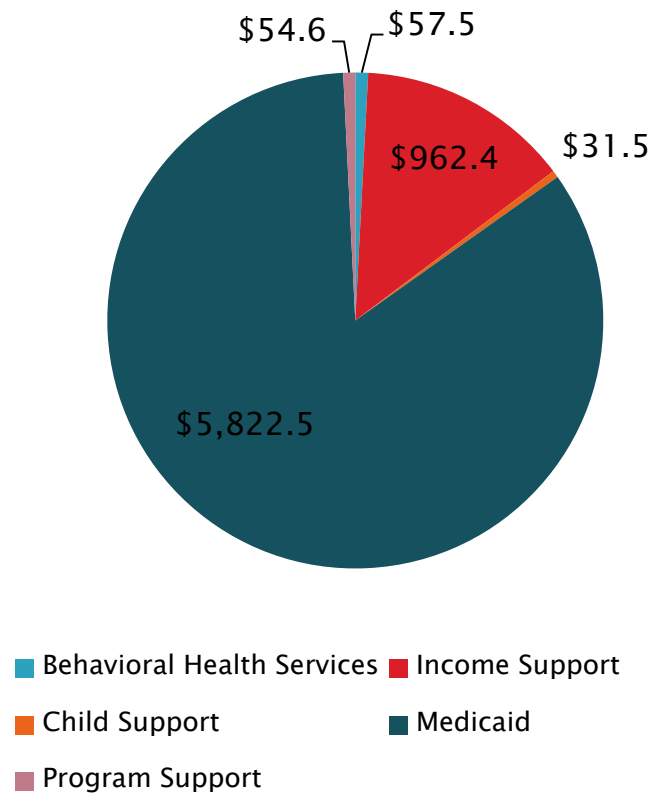
- ▶ Promote self-sufficiency of program recipients
- ▶ Slow the growth rate of health care costs and improve health outcomes
- ▶ Implement person-centric service models
- ▶ Improve administrative effectiveness and simplicity

HSD administers services to more than 900,000 low-income New Mexicans through:

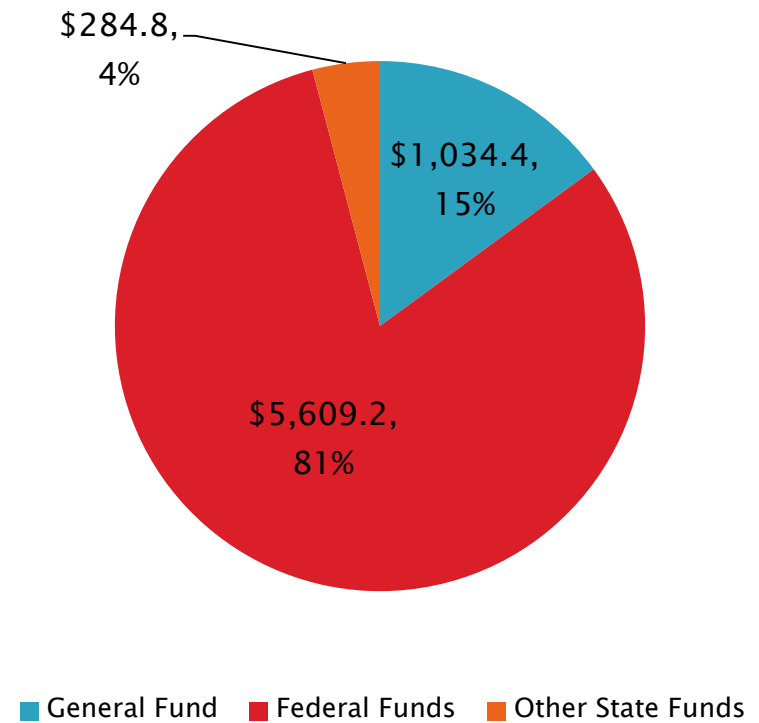
- ▶ Behavioral Health Services (mental health and substance abuse services)
- ▶ Child Support (establishment and enforcement)
- ▶ Income Support (cash, food, energy assistance, and supportive services)
- ▶ Medical Assistance (Long-term, physical health and beh. health services)

HSD Overview

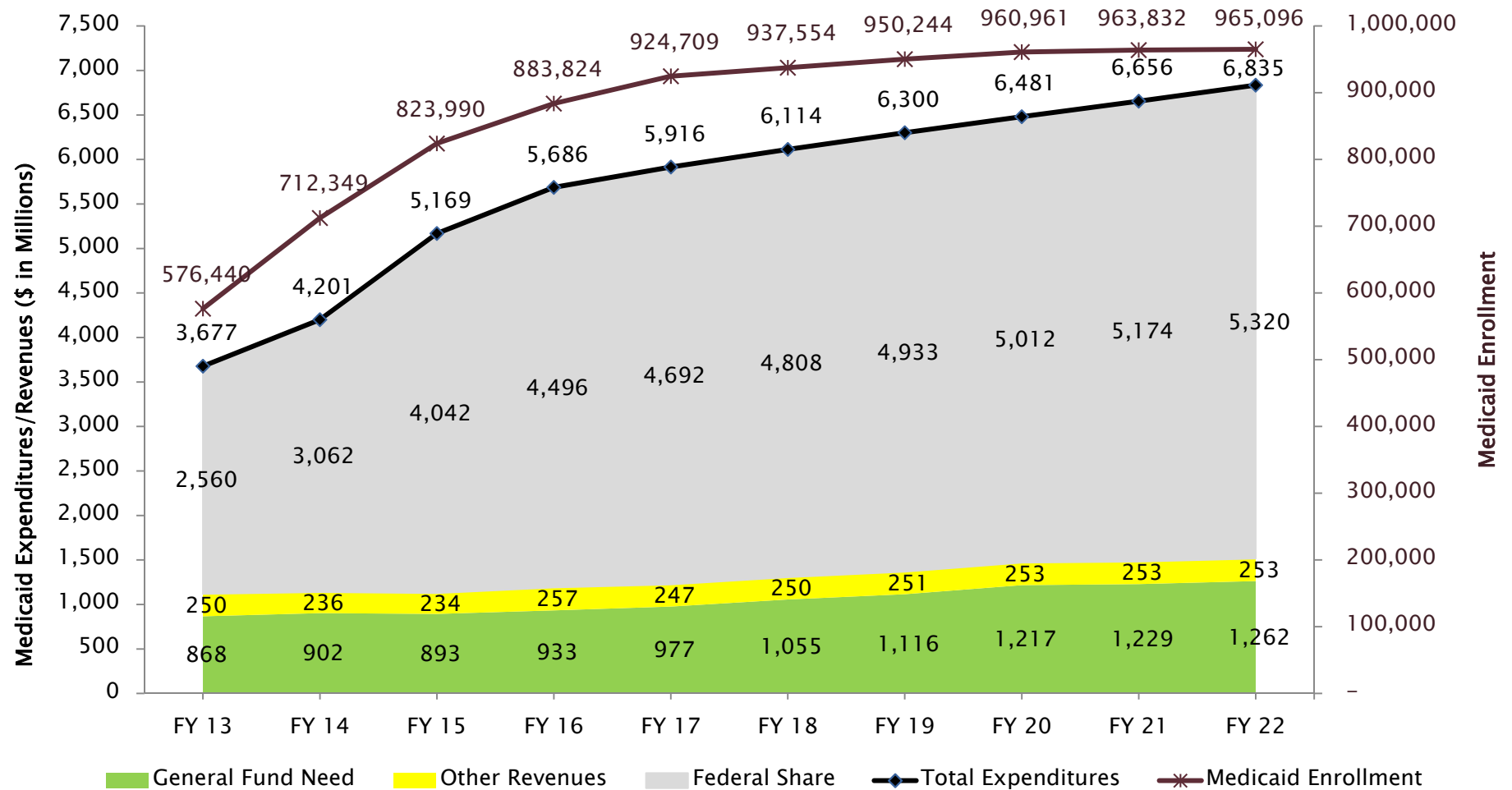
FY17 Budget: \$6.93 billion



FY17 Revenue: \$6.93 billion

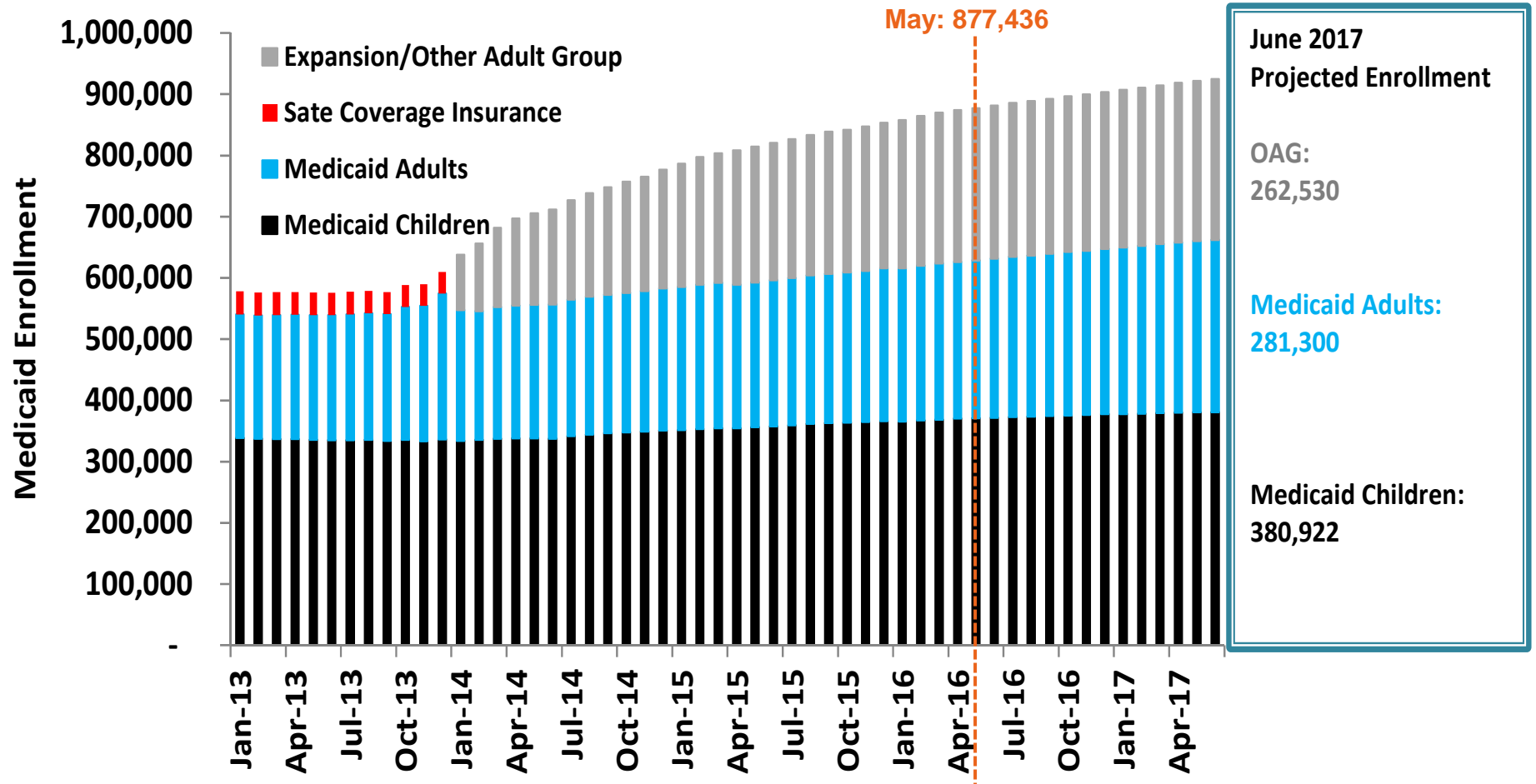


Projected Medicaid Enrollment, Expenditures and Revenues



Note: Projection before "cost containment"; general fund appropriations do not support this level of projected spending

Medicaid Enrollment



Medicaid Spending

- ▶ Total Medicaid spending is increasing, primarily due to enrollment growth.
- ▶ The FY17 general fund (GF) appropriation for Medicaid is \$913.6 million, an increase of \$21.9 million from FY16, but about \$63 million less than the FY17 request.

(\$ in millions)	FY14 Actual	FY15 Projection*	FY16 Projection*	FY17 Request	FY17 Op Bud	FY17 Projection*
Total Budget	\$4,200.6	\$5,172.3	\$5,644.8	\$5,916.0	\$5,741.9	\$5,787.4
General Fund	\$901.9	\$894.8	\$910.2	\$976.9	\$913.6	\$938.0

*Projection data as of March, 2016. The projections include all push forward amounts between SFYs. FY16 general fund includes \$18 million supplemental appropriation. These figures exclude Medicaid administration.

Medicaid Spending: House Bill 2 Requirements

- ▶ 2016 House Bill 2 requires the department to take a series of actions to “reduce projected Medicaid spending”
 - Shall reduce reimbursement rates paid to Medicaid providers
 - Shall reduce spending on managed care administrative costs
 - Shall pursue additional cost sharing requirements (e.g., co-pays and premiums)
 - Consider changes to Medicaid benefits and implement processes to enhance eligibility verification

Medicaid Spending: Reducing Provider Rates

- ▶ Proposal to reduce provider reimbursement rates:

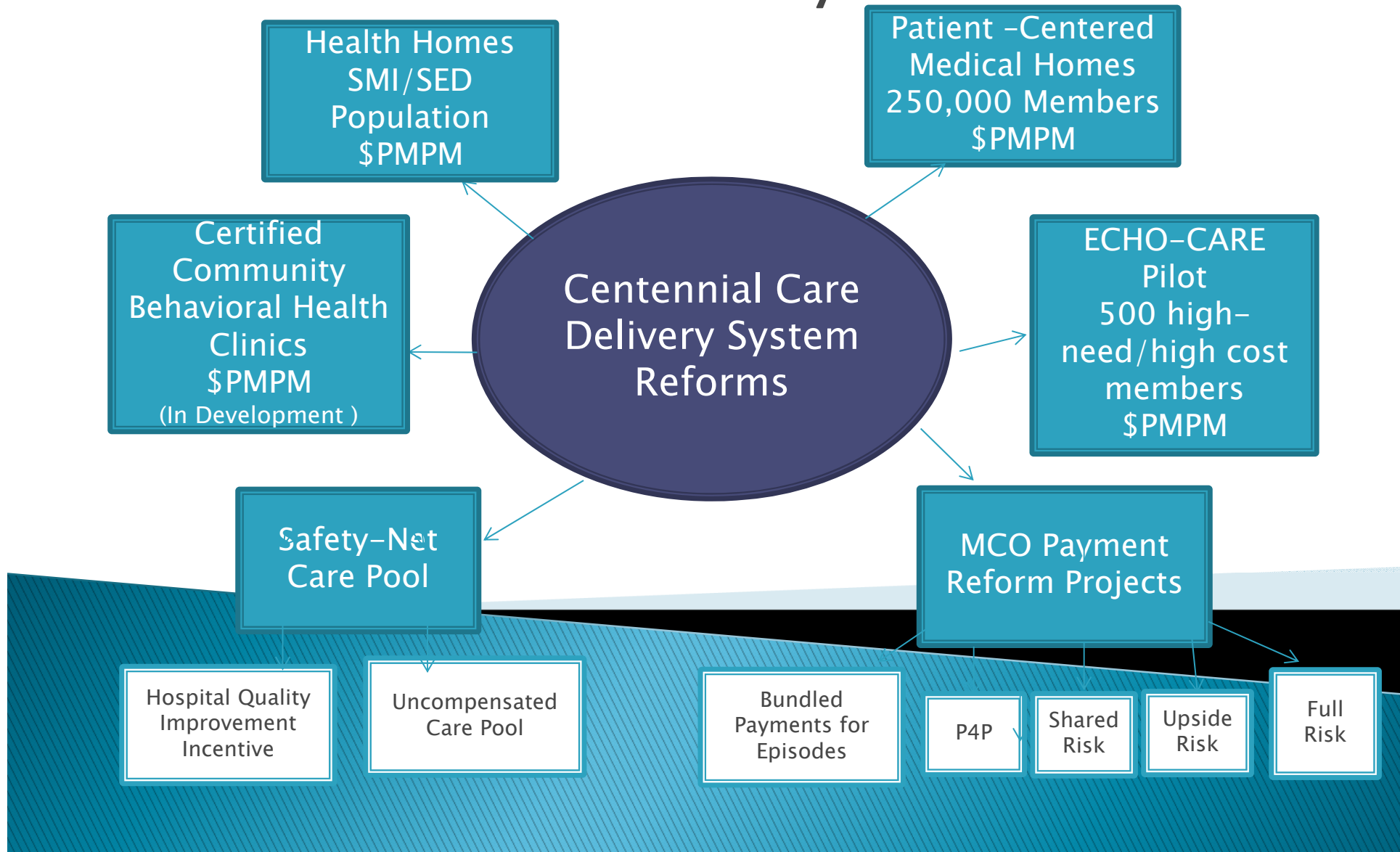
Provider Type	Percent change	Total Savings (in millions)
Physician services	2% to 6%	\$29 to \$33
Discontinue enhanced primary care physician rate	Varies	\$24 to \$26
Increase rates for preventive services	+5%	(\$1 to \$1.5)
Inpatient Hospital Services	5% 8% –UNMH	\$38 to \$45
Outpatient Hospital Services	3% 5% – UNMH	\$12.5 to \$17
Reduce Enhanced Safety Net Care Pool Hospital Rates		\$28 to \$33
Community Benefit Providers	1%	\$3 to \$4
Dental Providers	3%	\$3 to \$4.5
Total		\$136.5 to \$161

Centennial Care: Reforming Medicaid

Centennial Care was developed on four principles:

- A Comprehensive Service Delivery System
 - Managed Care Organizations are responsible for integrating care to address all health needs of the member through robust care coordination
- Personal Responsibility
 - Engage recipients in their personal health decisions through incentives and disincentives
- Payment Reform
 - Use innovative payment methodologies to reward quality care and improve health outcomes instead of the quantity of care
- Administrative Simplification
 - Combine all Medicaid waivers (except the Developmental Disabilities waiver) into a single, comprehensive 1115 waiver

Payment Reform: Moving Away from Fee-For-Service Payments



MCO Payment Reform Pilot Projects

MCO payment reform pilots build upon existing efforts to move away from volume-based payments, allow provider incentives and encourage shared risk.



The MCOs are developing score cards to measure outcomes such as:

- ▶ Reductions in ER visits and hospital readmissions;
- ▶ Provider performance against several HEDIS measures; and
- ▶ Total cost of care for each member.

VBC Provider A - January JOC QUALITY UPDATE							
Quality Measure	Relevant Patients (for October)	Open Care Opportunities (for October)	October % Adherent	November % Adherent	December % Adherent	January % Adherent	Quality Threshold Target Score
Breast Cancer Screening (Medicaid)	95	51	46%	47%	50%	50%	≥ 78.0%
Diabetes Care- Eye Exam (Medicaid)	351	215	38%	42%	43%	44%	≥ 62.0%
Diabetes Care - Kidney Disease Monitoring (Medicaid)	351	88	75%	75%	76%	76%	≥ 85.0%
Diabetes Care HbA1c Testing (Medicaid)	351	86	75%	77%	77%	78%	≥ 87.3%
Colorectal Cancer Screening	122	67	45%	48%	48%	48%	≥ 60.0%
Asthma Treatment: Appropriate Use of Medications (Medicaid)	28	9	68%	71%	69%	70%	≥ 87.3%
Controlling High Blood Pressure*						≥ 60.0%	
*Can only give accurate %'s with chart audits							

Other HSD Projects

- ▶ Incentivizing work participation in SNAP and TANF programs
 - Employment and training programs, subsidized employment, job search requirements
- ▶ Redesigning our business processes in Child Support Enforcement Division and supporting it with new IT system to improve efficiency
- ▶ Expanding access to behavioral health services and addressing key system challenges:
 - Workforce shortages
 - Regulatory barriers and improvements
 - Outdated financing and payment systems
- ▶ Developing citizen–centric delivery systems
 - Working across HSD and other health and human services agencies to better address needs of participants

Questions and Contact Information

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