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For Immediate Release

Human Services Department Secretary Continues to Drive Performance Measures with new SALUD! Medicaid Managed Care Contracts

Santa Fe, July 1, 2004 – Human Services Department (HSD) Secretary Pamela Hyde has approved new SALUD! Medicaid Managed Care contracts with the three managed care organizations that are providing a full range of health care services to 276,000 of the state's 420,000 Medicaid recipients. "This is an important part of the process for assuring that Medicaid continues to serve New Mexico's children, seniors and adults with disabilities," said Hyde. Presbyterian Salud!, Lovelace Community Health Plan and Cimarron Health Plan (soon to be Molina Health Care) will continue serving SALUD! clients under the new contracts for another year, beginning today.

The cost of the new contracts increased by only one percent from the previous year and is small when compared with the average insurance premium rate increase projected at 12 percent and the national overall Medicaid growth projected to increase by eight percent this year. "I want to thank the three managed care organizations for their cooperation with HSD in continuing to offer a broad range of health care services, considering the steadily rising costs of health care today," said Hyde.

The contracts also contain performance requirements for the managed care organizations to create improved quality and access to dental, primary care, diabetes and behavioral health services for children. "They continue to be an important focus of our quality of care initiatives," said Carolyn Ingram, HSD Medical Assistance Division Director. "New Mexico's innovative performance measures help to assure a higher level of quality and access to care."

In the recent Health Plan Employer Data and Information Set (HEDIS) report, all three of New Mexico's SALUD! MCOs were found to be above the national average in three important health-related areas: disease management, follow-up of mental care hospitalization and dental care. "Medicaid SALUD! will continue to focus on preventive care, not after-the-fact care," said Hyde. "This is important for improving the long-term health of New Mexicans and in stabilizing the overall rise in the cost of health care here."

Presbyterian Salud! has 139,925 members, Lovelace Community Health Plan has 69,092 members and Cimarron Health Plan has 66,875 members. About two-thirds of all Medicaid clients are under SALUD!, yet SALUD! costs are less than half of the \$2.3 billion Medicaid program, which is matched by the federal government at about a \$3 to \$1 rate. "During the contract negotiation process, each of the MCOs came to the table with suggestions on how to control costs, including administrative costs," said Hyde.

Children in families earning up to 235 percent of poverty (\$44,298 for a family of four) may qualify for Medicaid. The growth in the number of New Mexico Medicaid clients over the past 12 months was 6.7 percent.

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