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For Immediate Release

Human Services Department Secretary Pamela Hyde Announces Medicaid SALUD! Contract Agreements

Agreements emphasize access to care, commitment to quality and accountability.

Santa Fe, May 16, 2005 – Human Services Department (HSD) Secretary Pamela Hyde today announced agreements between the department's Medicaid SALUD! program and three Managed Care Organizations who administer the program. HSD has reached agreements, totaling nearly \$900 million, with Lovelace Community Health Plan, Molina Health Care and Presbyterian Health Plan.

Currently in New Mexico, 425,000 (December 2004 figures) low-income children, seniors and individuals with disabilities receive Medicaid services. Nearly two-thirds are covered through the SALUD! program, including 271,000 children.

"The new contracts include high performance standards mandated by this administration," said Hyde. "The MCOs will provide our clients with *access* to healthcare services, show a commitment to *quality* in the services they provide and demonstrate that they are *accountable* to the public for the important health care services needed by so many New Mexicans," said Hyde. Some of the performance and tracking measures included in the contracts focus on improved outcomes of disease management including diabetes and obesity, improved dental for children and limiting administrative costs to 15 percent.

The new agreements reflect the administration's commitment to streamline and improve New Mexico's behavioral health system and maximize available resources. The SALUD! contracts no longer include behavioral health services, as all state run behavioral health services will be contracted through ValueOptions. "Behavioral health consumers will benefit from a new, better coordinated system of care among all of the state run programs, and likely not even notice the administrative change." said Carolyn Ingram, State Medicaid Director.

Agreements have also been made to administer NMRx, the Medicaid fee-for-service (FFS) Prescription Drug List (PDL) and provide Third Party Assessor services for the Medicaid Personal Care Option (PCO) services.

Presbyterian Health Plan will administer the Medicaid's PDL, NMRx. Last December the department implemented NMRx for the FFS dual-eligible clients (those individuals who are eligible for both Medicaid and Medicare prescription drug services). "The NMRx will continue to serve dual-eligible clients in addition to all FFS clients for Medicaid prescription drug programs across the state," said Ingram. "Presbyterian Health Plan has a provider network that covers every corner of New Mexico, and will allow for easy access for our clients, in a more cost effective manner," Ingram added.

Lovelace Health Plan has been chosen to serve as the Third Party Assessor for Personal Care Option (PCO) services. This is an assessment that helps determine service levels needed for persons eligible for PCO services.

Agreements on other services that are part of the Medicaid Program Initiatives Request for Proposals are still in negotiations and are not yet ready to be announced. Those include services for Medicaid FFS long-term care, dental, and transportation, utilization review for PCO services, and the State Coverage Insurance program.

The new contracts take affect July 1, 2005.

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