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**For Immediate Release**

## **Federal Government Approves New Mexico Medicaid Waiver Request for Mental Health and Substance Abuse Services**

**Approval is the final step for Medicaid in the transition to the Behavioral Health  
Purchasing Collaborative that became law in the Spring of 2004**

*Santa Fe, June 27, 2005* – Human Services Department (HSD) Secretary Pamela Hyde today announced that the state of New Mexico received approval from the Centers for Medicare and Medicaid Services (CMS) to launch the new behavioral health care system. This is the final step in a year-long process designed to create a single system that makes it easier for New Mexicans to access behavioral health care.

This initiative was the result of the Interagency Behavioral Health Purchasing Collaborative that became law in May 2004. “New Mexico will be the first state in the nation to bring all public mental health and substance abuse services together in order to improve care for consumers,” said Hyde. “We are very pleased CMS recognizes this innovative system in improving behavioral health services in New Mexico.”

ValueOptions of New Mexico will serve as the statewide entity to manage behavioral health services currently offered by 15 different state agencies and will streamline services offered to consumers beginning July 1. The services include the Medicaid program, the federal mental health and substance abuse block grants, the Children, Youth and Families behavioral health funds and the Community Corrections behavioral health funds.

CMS must approve changes in the way Medicaid funds are utilized. HSD began the process of seeking CMS approval for this change in the summer of 2004 with a concept paper and later a formal waiver request separating physical and behavioral health funding within the Medicaid program. (A waiver means that the federal government allows states to use Medicaid funding to create programs that meet the needs of certain populations.) “This paves the way for Medicaid to be a full partner in the Behavioral health Purchasing Collaborative process,” said Hyde.

The planning for the transition has continued throughout the Spring and Summer with continued positive feedback from CMS as the approval review process unfolded.

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