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\$153 Million in Budget Cuts Will Have Devastating Impact on Services for New Mexicans

Cuts to children's Medicaid, mental health and substance abuse services, nutrition assistance for seniors and employee furloughs among budget cutting options

Santa Fe, New Mexico – The state Human Services Department is analyzing the budget bill passed during last week's Special Session, and is bracing for \$153 million in cuts to critical services for New Mexicans.

The budget bill passed by the Legislature, if it is signed by the Governor, would slash services, such as:

- Children's health care
- Behavioral health care
- Health care for developmentally disabled individuals, medically fragile and those with HIV/AIDS
- Nutrition assistance for seniors

"These services are critical for New Mexico's low-income residents," said Katie Falls, Human Services Department Acting Secretary. "Cuts to these programs can result in devastating consequences for New Mexico's most vulnerable population."

In all, the department is anticipating a \$37.6 million State General Fund cut to department's budget. Cuts in state funding will also result in a loss of \$115.5 million in federal matching funds for a total of \$153.2 million in cuts to the Human Services Department budget.

"For every state dollar cut through the 7.6 percent reduction to department's budget, the state loses three dollars in federal funds," said Acting Secretary Falls.

Governor Richardson has until Nov. 12 to take action on all bills passed by the Legislature during the special session.

Since the national economy took a turn for the worse, New Mexico has seen a record high number of people seeking services through the four department divisions: Medical Assistance, Income Support, Behavioral Health Services, and Child Support Enforcement.

Although the Legislature claims to have held harmless the Medicaid Program from the 7.6 percent cut to Executive Agency programs, the bill passed last week only protected one of the three Medical Assistance Division budgets. During the regular Legislative Session in January 2009, the Legislature split the Medical Assistance Division into three budgets.

The two budgets that are scheduled for a 7.6 percent cut include the Medicaid Physical Health and Medicaid Behavioral Health along with cuts to Medicaid contracts and support for other state agencies.

The Medicaid Physical Health budget provides services to more than 360,000 New Mexicans through the SALUD! program for low-income children and families, as well as the developmentally disabled individuals, medically fragile and those with HIV/AIDS and the State Coverage Insurance (SCI) Program that covers low-income adults between the ages of 19 and 64.

The Medicaid Behavioral Health budget provides mental health and substance abuse services to all of those low-income New Mexicans who are enrolled in the Medicaid program. Over 450,000 Medicaid enrollees have the opportunity to receive these services.

“This could result in a reduction in adequate services to the approximately 49,000 consumers currently being served by Medicaid Managed Care and Fee for Service for their mental health and substance abuse needs,” said Linda Roebuck Homer, Behavioral Health Collaborative CEO. “Medicaid funding for children’s behavioral health treatment and intervention is critical to the child welfare and juvenile justice system.”

Those receiving Income Support services could see a cut to the State Supplemental Nutrition Assistance Program (SNAP) Benefit Supplement for seniors. This program serves more than 3,000 seniors with a supplement to their SNAP benefit for a maximum of \$30 a month.

In order to reduce the impact to programs, the 7.6 percent budget cut could result in as many as 15 full days of furloughs for Human Services Department staff and/or layoffs.

“Either of the options results in a reduction of personnel in our offices across the state, which will limit access to services provided by the department and seriously impact the salaries of the nearly 2,000 department employees,” said Acting Secretary Falls.

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