2014 Annual Report







HUMAN SERVICES
DEPARTMENT

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Agency Staff

Office of the Secretary
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Sean Pearson, Deputy Secretary

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Danny Sandoval, Director

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Wayne Lindstrom, Director

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Steven Smith, Director

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Medical Assistance Division
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Native American Liaison,
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Office of Human Resources
Johnna Padilla, Director

Office of the Inspector General
Francis "Frank" Sherman, Director

Message from Secretary-Designate Brent Earnest



I am proud and honored to be writing this message as Secretary-Designate of the New Mexico Human Services Department. HSD is an extremely important agency in New Mexico, with over 780,000 constituents receiving benefits through medical assistance and income support, assistance with child support enforcement, and behavioral health services. I look forward to continuing to help with the many programs we administer.

Medicaid enrollment expanded by leaps and bounds in 2014, with more than 750,000 enrollees by December. HSD's Centennial Care program, with its emphasis on patient-centered care, has been in place for a year, and we are seeing the benefits of care coordination for Medicaid enrollees. As the program matures, we expect that we will see healthier New Mexicans as a result. Our Centennial Rewards program has been providing additional benefits to members when they make health care decisions. We're not just working with our recipients though. Through Centennial Care, we also initiated provider payment reform projects. Centennial Care fostered the use of community health workers and expanded access to care by maximizing scopes of practice for certain provider types. And outside of Centennial Care, our Medicaid Division has developed and is implementing guidelines for use of a new pharmaceutical treatment for Hepatitis C.

HSD's Income Support Division was put to the test in 2014. Field offices experienced unprecedented levels of activity due to the Affordable Care Act. As more people enrolled in Medicaid after expansion, they also applied for other benefits. This was a challenge for us, and we turned it into an opportunity. Our dedicated staff worked long hours helping applicants and inputting data. Creative and innovative enhancements were developed in field offices and by IT staff. One result was the USDA Food and Nutrition Services (FNS) recognizing HSD field offices in San Juan and McKinley Counties for establishing a triage process to reduce lobby wait times and speed recipients through the initial process each morning. Now, the year is ending with applications being processed in two to ten days. The backlog is gone.

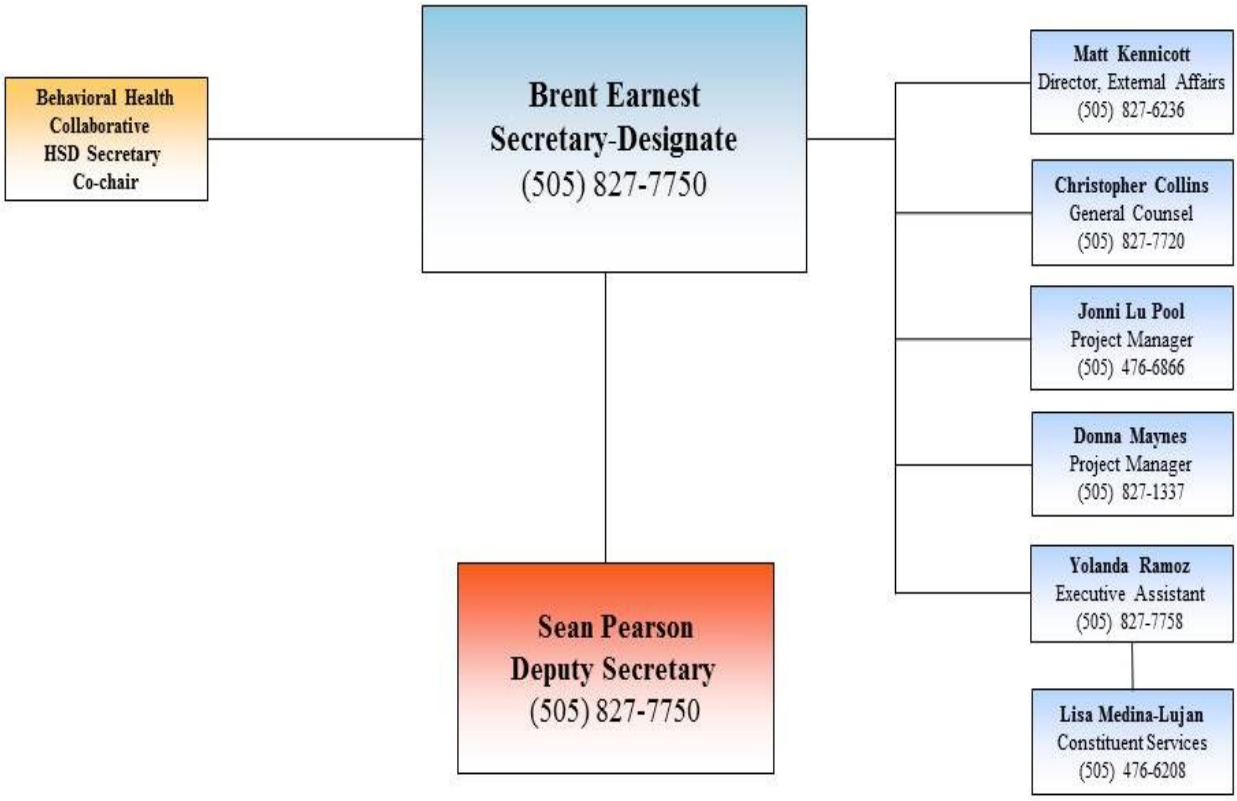
Our Behavioral Services Division, in conjunction with the Behavioral Health Collaborative, saw a 30.8% increase in the number of New Mexicans accessing behavioral health services in FY14. By the end of the state fiscal year (June 30, 2014), 114,314 adults and children had accessed behavioral health services, more than ever before. We also provided enhanced non-Medicaid services for veterans, provided more transitional living services, and expanded the New Mexico Crisis Access Line in 2014.

HSD's Child Support Enforcement Division (CSED) set yet another record during the last year -- $137.1 million in child support was collected with 64,370 families served (6,612 were Navajo Nation families). More children are getting the support to which they are entitled. To better serve families in New Mexico, CSED started the process of replacing its antiquated computer system. A business assessment review is in the works, and a project management office came on board to prepare us for the system replacement next year.

These accomplishments are possible because of the dedicated employees of HSD who are committed to serving New Mexicans every day in their jobs. We look forward to continuing this work in 2015 and invite you to continue reading more about our work this past year.

New Mexico Human Services Department

Office of the Secretary



Message from Deputy Secretary Sean Pearson



2014 was a year of opportunities for HSD. Opportunities for streamlining our application process, continuing our information technology transitions, and using lessons learned to help streamline New Mexicans' access to benefits.

Enhancing communication was key in 2014. We offered more convenient ways for citizens to communicate with us and access our programs, including an interactive voice response line, enhanced telephone call center, and self-service kiosks in the lobbies of ISD offices. We developed better ways of sharing information with other agencies, like CYFD, DOH, DWS, ALTSD, and DVR. We initiated and received electronic transfers of applications from the federally facilitated marketplace (aka, Healthcare.gov and the federal Exchange).

We had some challenges, and responded to them expeditiously. We experienced a backlog of applications for benefits. HSD responded by developing a "Tiger Team," consisting of top producing employees from across the state dedicated to getting applications into the ASPEN system and processed, and mandatory overtime required of staff, thereby clearing the backlog. The increased number of applicants also created long lobby lines at our field offices. HSD responded by implementing a triage system to pre-screen applicants. Federal regulations and guidance regarding Medicaid were extremely late in coming, and some continue to evolve, causing our field workers to adapt to new, complicated material in a very short time. HSD gave refresher training in ACA requirements, and will continue to do so. HSD has trained over 1,000 employees and personnel at hospitals, clinics, and provider offices in PE/MOSAA (Presumptive Eligibility/Medicaid on Site Application Assistance) procedures.

We had lots of successes in 2014 as well. On September 29, 2014, the federal Food and Nutrition Services announced that New Mexico was one of six states receiving an award for SNAP timeliness rate of 98.65% for 2013. SL Start, HSD's NM Works contractor, developed over 100 job and community service sites to assist recipients meet their goals. We expanded our available electronic sources for income verification to reduce paperwork. And speaking of reducing paperwork, our CASA (Central ASPEN Scanning Area) site, which was developed and implemented to enable access to recipients' files by caseworkers statewide, achieved its goal of cutting down hard paper files in offices, as well as promoted efficiency for our caseworkers.

As Secretary-Designate Earnest mentioned, we started the process of replacing the Child Support Enforcement Division's CSES computer system and the Medical Assistance Division MMIS. We are confident that given our experience with the ASPEN system for our Income Support Division that these IT replacements will be a success.

I'm grateful to be able to work with the hardworking and dedicated HSD staff to continue the important work we started in 2014.

Administrative Services Division
Danny Sandoval, Director



Overview

The Administrative Services Division (ASD) provides HSD with support services, financial control, and reporting for its budget of more than $5.4 billion annually. ASD is responsible for ensuring compliance with directives from the Department of Finance and Administration (DFA), the State Treasurer's Office, the Office of the State Auditor, and federal oversight agencies related to financial reporting. In 2014, ASD provided timely, complete, and accurate financial information to HSD management and oversight agencies using the following processes:

- Budget projections were supplied to HSD leadership on a quarterly basis;
- Federal financial reports were submitted in accordance with the terms and conditions of grants;
- Trial balances were supplied to ASD management on a monthly basis; and
- HSD's Public Assistance Cost Allocation Plan (PACAP) was approved by the U.S. Department of Health and Human Services, Division of Cost Allocation.

Accomplishments

Financial Reporting

In 2014, the Department implemented large-scale projects that required changes in financial reporting. One of those projects was the last phase of the new eligibility system, ASPEN, and movement of the project into the maintenance and operations phase. ASD worked jointly with the HSD Information Technology Division (ITD) to track and report $105 million in capital assets related to ASPEN. ASD was successful in providing budget projections, requesting federal grant and severance tax bond reimbursements, and submitting accurate and timely federal reports and trial balances related to ASPEN. The Department had no findings in 2014 Single and Financial Audits related to ASPEN reporting. In 2014, ASD was part of the team preparing the Advanced Planning Document (APD) to Centers for Medicare and Medicaid Services (CMS) and USDA Food and Nutrition Services to secure funding for maintenance and operations of ASPEN and eligibility worker staff using ASPEN.

The other large-scale projects in 2014 were related to the Medicaid program, including expansion and Centennial Care. Both of these projects resulted in changes in business processes to comply with CMS reporting requirements. The ASD Grants Management Bureau, Accounting Bureau, and Accounts Receivable Bureau worked jointly with the Medical Assistance Division (MAD) to establish account codes to properly identify the new adult population who enrolled in Medicaid expansion, and submit accurate reporting and comply with any additional requests by CMS. The Department had no findings in 2014 Single and Financial audits related to Medicaid Expansion or Centennial Care reporting.

Warrant Issuing Agency

HSD is one of the agencies approved by DFA to issue warrants. NMAC 2.20.6 outlines the eleven standards and conditions a state agency must meet in order to issue warrants or exceptions from prior submission of vouchers, purchase orders, or contracts to DFA. HSD submits a written request each year explaining why efficiency and economy will be achieved by issuing warrants. The request includes a detailed report describing how the Department complied with each of the eleven standards and conditions outlined in NMAC 2.20.6 during the past calendar year. The standards and conditions require a department to describe in the report how a strong internal control framework is maintained and to explain how the department meets requirements for both federal and state oversight agencies. The report describes the 18 Chief Financial Officer (CFO) Directives and HSD Model Accounting Practices (HMAPs) that provide staff the background to maintain internal controls. HSD ensures transactions are recorded timely and accurately through an extensive review process:

- The Contracts and Procurement Bureau reviews all requisitions prior to creating a purchase order for proper classification
- The Accounts Payable and Payroll Bureau reviews the supporting documentation for completeness prior to processing payments
- The Accounts Receivable and Cash Management Bureau reviews deposit entries and revenue and receivable balances to ensure accuracy
- The Grants Management Bureau reviews transactions on a monthly basis when completing the cost allocation and quarterly basis when completing the federal financial reports to identify the accuracy of funding sources
- The Accounting Bureau prepares monthly trial balances with supporting schedules from ASD bureaus for each account. The trial balances help management identify transactions that require adjusting journal entries. The trial balances are reviewed and approved by the CFO.

Clean Opinion - Single and Financial Statement Audits

The 2014 Single and Financial Statement Audits were submitted to the Office of the State Auditor on December 15. The State Auditor's opinion was that the financial statements fairly presented the financial position of all HSD funds. The overview of financial activities can best be seen in the statement of activities for the fiscal year ended June 30, 2014. The Statement of Activities reports the HSD programs as healthcare services, financial assistance and general government. Healthcare services consist primarily of transactions in the Medicaid Fund, and financial assistance consists primarily of transactions for Low Income Home Energy Assistance Program (LIHEAP), Temporary Assistance for Needy Families (TANF) and Supplemental Nutritional Assistance Program (SNAP) benefits. Transactions classified as "general government" in all other funds accounts for the administrative expenses to support those program functions.

HSD was also timely in submitting draft financial statements to the DFA on November 14, 2014 for inclusion in the Statewide Comprehensive Annual Financial Report (CAFR).

STATE OF NEW MEXICO HUMAN SERVICES DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net Revenue (Expense) and Changes in Net Position
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
Healthcare services	$ 4,178,727,421	$ 110,875,925	$ 3,032,234,526	$ (1,035,616,970)
Financial assistance	766,780,091	1,147,486	753,753,905	(11,878,700)
General government	303,961,515	16,124,216	213,549,520	(74,287,779)
Total governmental activities	$ 5,249,469,027	$ 128,147,627	$ 3,999,537,951	(1,121,783,449)
General revenues and transfers:				
State General Fund appropriations				1,037,018,998
Severance tax bond proceeds				6,140,591
Reversion of State General Fund appropriations - 2014				(5,937,104)
Transfers from other state agencies				210,845,673
Total general revenues and transfers				1,248,068,158
Change in net position				126,284,709
Net position (deficit), beginning of year				(13,687,916)
Net position, end of year				$ 112,596,793

Behavioral Health Services Division
Wayne Lindstrom, Director



Overview

HSD's focus on behavioral health in 2014 has been on the integration of Medicaid behavioral health services into the Centennial Care model. The Behavioral Health Services Division (BHSD), the New Mexico Interagency Behavioral Health Purchasing Collaborative (the Collaborative), and the Behavioral Health Planning Council (BHPC) have each played an important role in the development of Centennial Care's behavioral health services. Their work has focused on planning for Medicaid integrated care, Medicaid expansion, and the resulting redesign of non-Medicaid services. BHSD, the Collaborative, and the BHPC have worked to improve accountability, improve access to treatment, expand the array of safety net services, strengthen the behavioral health system infrastructure, and plan for the future.

Dr. Wayne Lindstrom became the Director of BHSD and CEO of the Collaborative during 2014. Two senior BHSD employees were selected for Deputy Director positions to provide organizational stability, structure, and accountability.

Behavioral Health Services Division

BHSD focuses on developing strategies for mental health promotion, substance abuse prevention, and treatment for individuals in New Mexico who are enrolled in Medicaid as well those who are not. BHSD manages the adult public behavioral health service system by supporting the Collaborative, serving in its roles as the state mental health and substance abuse authority, and by contracting for the provision of the Medicaid and non-Medicaid behavioral health statewide system of services.

NM Behavioral Health Purchasing Collaborative

The Collaborative was created by the Legislature to plan, design and direct a statewide behavioral health system. The Collaborative develops a 4-year strategic plan for behavioral health services, is a co-signer on the Centennial Care contracts, and provides the Legislature with a consolidated behavioral health budget each year. The Collaborative brings together 15 agencies across state government that fund behavioral health services. The Collaborative meets quarterly and the Chair rotates every two years between HSD and the Department of Health.

Behavioral Health Planning Council

The BHPC consists of consumers, providers, state agency managers, and others appointed by the Governor who advise the State on behavioral health services. The BHPC advises the Governor, Legislature, BHSD, the Collaborative, and others on block grants and other activities. The BHPC keeps the Governor, Legislature, and others apprised of their accomplishments and helps set priorities.. The BHPC operates through a number of active committees, including the Executive Committee, Native American Committee, Adult/ Medicaid Committee and Children and Youth Committee. The BHPC meets quarterly; meetings include active participation from consumers throughout the state in Local Collaboratives.

Strategies for Integrated Wellness, Prevention and Treatment

Improved Accountability

Over the past year, BHSD has built expertise among the staff to strengthen the quality and accountability in New Mexico behavioral health services. BHSD developed and is reviewing performance reports from the Centennial Care MCOs, conducting desk audits, and resolving provider and enrollee issues. BHSD managers are active in the HSD Medicaid Administrative Burden Reduction Workgroup to identify and implement changes to simplify reporting and other administrative requirements. BHSD has also built its capacity for contract, budget, and clinical management.

Improved Access to Treatment

In 2014, HSD Centennial Care provided more access to behavioral health care through Centennial Care. In the third quarter of FY14, Centennial Care provided behavioral health services to 59,309 members, while 38,812 Medicaid members received these services in 2013. Three new recovery-oriented services were added to the Medicaid benefit. Access to medication-assisted treatment for opioid addiction was expanded through Medicaid's approval of new service sites for Intensive Outpatient Programs and Medicaid coverage of Suboxone, Methadone, and Naloxone.

Expanded the Array of Safety Net Services

BHSD implemented several new initiatives in 2014 to expand the array of safety net services available in New Mexico. BHSD implemented the New Mexico Crisis and Access Line (NMCAL) as a 24/7 crisis line that is staffed by professional counselors and linked to local providers. In 2014, NMCAL answered 6,800 calls for assistance. Two new federal grants from the Substance Abuse and Mental Health Services Administration (SAMHSA) are also being used to expand the array of safety net services. The first grant funds Screening Brief Intervention and Referral to Treatment (SBIRT), an evidence-based service provided in health clinics to identify individuals with substance use disorders and refer them to treatment. The second grant establishes an evidence-based suicide prevention program for adults in Taos County to develop a NM-specific model to address this growing problem.

Strengthened the BH Service System Infrastructure

Increased Provider Reimbursement Rates

Medicaid reimbursement rates for behavioral health providers were increased by 7.5% effective July 1, 2014, with another increase of 5% slated for implementation at the onset of the new calendar year. In addition, non-Medicaid reimbursement rates were increased by 7.5% effective January 1, 2014.

Supported Providers in Transition to Centennial Care

BHSD hosted bi-weekly meetings with the local Core Service Agencies and the Centennial Care MCO managers to monitor and facilitate the ongoing stability of the behavioral health service delivery system during the implementation of Centennial Care throughout the year. The meetings were an opportunity to trouble-shoot billing issues, discuss the implementation of care integration, and examine training needs. By the end of 2014, the meetings had expanded to include other behavioral health providers. BHSD also sponsored a one-day workshop to provide information on provider-specific issues. The Centennial Care MCOs also provided five regional billing trainings for behavioral health providers in the fall.

Addressed Local Workforce Issues

New Mexico has historically had a limited behavioral health workforce. In 2014, BHSD sponsored four initiatives to expand the workforce.

- Centennial Care adopted a "supervisory protocol" that was useful under the OPTUM contract to address workforce shortages in rural and frontier areas. This protocol allows certain degreed professionals to provide BH services under the direction of an independently licensed clinician in Core Service Agencies and other public provider agencies.
- To strengthen clinical supervision, BHSD allocated state funds to competitive grants to Core Service Agencies and other behavioral health providers to incentivize strategies for enhanced clinical supervision.
- BHSD continued its work to train and certify Peer Support workers by holding five trainings around the state for 155 Peer Support Workers in New Mexico.
- BHSD hosted a free two-day certification training by the American Association for Group Psychotherapy for about 50 clinicians to promote the efficient use of available clinicians while also enhancing providers' reimbursement potential.

Developed Data Infrastructure

BHSD has developed a behavioral health Data Warehouse that centralizes service data for Medicaid and Non-Medicaid services to monitor behavioral health services utilization.

Continued System Management Focus

Behavioral health services for individuals who are not eligible for Medicaid are funded through federal block grant funds from SAMHSA and state general funds appropriated to HSD, CYFD and the Department of Corrections. Specific accomplishments include:

- BHSD worked with BHPC to set priorities for the use of block grant funds and report on accomplishments to SAMHSA.
- Substance abuse prevention was a major focus for 2014, including reducing binge drinking and reducing access to cigarettes by minors.
- As the State Opioid Treatment Authority, BHSD worked to make opioid treatment available statewide.
- As the State Mental Health Authority, BHSD performs clinical review of Critical Incident Reports from community mental health centers and Centennial Care MCOs, as well as performing the federally required clinical reviews of the appropriateness of nursing home admission for individuals with mental illness.
- BHSD also conducted the annual consumer and provider satisfaction surveys and reported the results to SAMHSA. In 2014, 84 percent of the consumers surveyed indicated they were satisfied with their services.

Planning for the Future

BHSD, the Collaborative, and BHPC have worked to prepare for 2015. Initiatives in the planning stage include:

- Network of Care: A New Mexico component of this national web-based system will provide the state with on-line access to provider look-up, educational videos, social networking, and national and local articles of interest concerning behavioral health. Network of Care is scheduled for implementation in the spring of 2015.
- The Affordable Care Act provides states with the option of developing behavioral health homes for the most complex Medicaid members. BHSD plans to have three Behavioral Health Homes operational by the fall of 2015.

- BHSD, in collaboration with the HSD Medical Assistance Division, is analyzing New Mexico's behavioral health regulatory environment to recommend improvements in regulations that are consistent with state-of-the-art national BH regulatory trends.
- Dr. Lindstrom has joined the Behavioral Health Workforce Group to recommend methods for improving the state's workforce challenges and intends to pursue other means to increase behavioral health services capacity.

Child Support Enforcement Division
Steven Smith, Director



Overview

The purpose and the mission of the Child Support Enforcement Division (CSED) is derived from Title IV-D of the Federal Social Security Act to enhance the well-being of children by assuring that assistance in obtaining support, including financial and medical, is available to children. This is accomplished through locating parents, establishing paternity, establishing support obligations, and monitoring and enforcing those obligations. Successful actions improve the quality of the lives of children, increase the number of families who achieve self-sufficiency, and help break the cycle of dependency on public assistance.

The New Mexico State IV-D agency is required by federal and state laws to help families receiving Temporary Assistance for Needy Families (TANF) by collecting and disbursing child support payments. Families who are not receiving TANF may also apply to CSED for services.

There are over 63,000 families with child support cases in New Mexico, of which about 7,000 are Native American. Cases with TANF involved are 19% of the caseload of CSED, and cases with Medicaid benefits total 29% of the caseload.

Accomplishments

During SFY 2014, a record $137.1 million in child support was collected, an increase of $5 million over SFY 2013 collections. Most collections are through wage withholdings and receipt of direct payments (88%), with the balance coming by administrative actions such as tax intercepts, insurance match, lottery winnings, bank account garnishments, and unemployment compensation. During 2014, there were over 10,000 license suspensions by 64 agencies, resulting in payments received of $1.7 million. Certificates of compliance were issued to all payors who brought their account current, or entered into an agreement to make regular monthly payments. So far in SFY 2015, collections have totaled $63.7 million, an increase of $1.5 million over the same period last year.

Another successful Bench Warrant Roundup was held this year, resulting in total collections of over $140,000. One hundred and four people were arrested; they paid $67,666 to be released, and an additional 125 people paid $72,376 to prevent a warrant from being issued.

Preparing for the future has been a big part of the Child Support program activities in 2014. Preparations that occurred during 2014 include:

- Planning for the replacement of the computer case management and monitoring system known as the Child Support Enforcement System (CSES). This year, a contract was signed with a Project Management Office (PMO) to get all the details together in preparation for bids on a new system. In 2015, needs assessments and requirements will be completed, as well as a feasibility study for review by the Federal Office of Child Support Enforcement. The replacement project is expected to be completed in about four or five years.

- A contractor has been retained to review critical functions and processes in advance of system replacement. The goal of the division is to be more efficient in providing services to the public, and in doing our core work.
- CSED has reached out to many community groups who are involved with parents and parties in child support cases with the goal of joining in helping parents who need assistance to become more self-sufficient and thus able to pay the support that has been court ordered. This includes groups such as the Department of Workforce Solutions, early intervention groups, organizations that assist incarcerated persons, and those re-entering society after incarceration, among others.
- Hiring of staff to assist in the CSES Replacement Project and still maintaining the staff needed for ongoing work and goals of CSED.
- All of these personnel actions have been done without a request for additional FTEs or a request for additional budgetary funds to support the Division.

History of Significant Items in Child Support Enforcement Division

Year (SFY)	Division Budget	Collections	Paternity Orders	Support Orders	Current Support
2014	$ 33.5 M	$ 137.1 M	110 %	81 %	56.3 %
2013	$ 32.5 M	$ 132.0 M	103 %	84 %	54.22 %
2012	$ 31.7 M	$ 129.6 M	99.4 %	78 %	54.16 %
2011	$ 33.5 M	$ 123.5 M	97.2 %	74 %	55.03 %

Income Support Division
Marilyn Martinez, Acting-Director



The Income Support Division (ISD) provides much-needed services to more New Mexicans than ever before. In FY14, 199,417 families (440,212 individuals), or 1 in 5 New Mexicans, were receiving Supplemental Nutrition Assistance Program (SNAP) benefits, and 13,816 families (35,890 individuals) were receiving Temporary Assistance for Needy Families (TANF). 60,362 families received an average benefit of $124 for the Low Income Home Energy Assistance Program (LIHEAP) during FFY14.

Awards

• Timeliness Performance Award – For the fourth consecutive year, New Mexico received a timeliness bonus in FFY13 for timeliness in processing SNAP applications.

Program Updates

- In FY14, 1.1 million individuals visited one of our 34 offices statewide.
- ISD was able to recoup $2,090,249 in Interim Assistance Reimbursement from Social Security in FY14.
- This year, New Mexico achieved work participation rates of 36.4% for all families and 41.9% for two-parent families.
- In FY14, the NM Works work contractor, SL Start, averaged 359 new employments per month.
- In FY14, ISD distributed 8,632,218 pounds of commodity foods to New Mexico schools through the USDA Food Distribution to Schools program, valued at $10,319,228
- In FY14, ISD's "The Emergency Food Assistance Program" (TEFAP), through a statewide network of regional food banks, distributed 2,776,470 pounds of household commodity entitlement food valued at $1,709,576, and 2,914,668 pounds of household bonus commodities valued at $2,432,295.
- In FY14, ISD provided funding to support 469,391 meals at six (6) homeless, day and domestic violence shelters through its Homeless Meals Program.
- SNAP-Ed Program – HSD administered SNAP Ed through five implementing agencies, providing nutrition education classes to low income families across the state. 971,343 children and adults were exposed to SNAP Ed through educational materials and events, and 252,638 individuals attended one or more classes on topics including nutrition, food budgeting, cooking and the importance of healthy, active lifestyles.

•In June 2013, HSD implemented a new mandatory E&T program for childless adults, which requires them to complete either a group or individual job search annually.

Automated System Program and Eligibility Network (ASPEN)

ISD completed implementation of ASPEN as of January 2014, and all ISD field offices are now utilizing the new system. ISD continues to train staff and provide user support for the new system. The ASPEN system maintenance efforts were as follows:

Maintenance and Stability – Staff review the system for needed changes, schedule updates for migration, develop code, test the changes prior to migration, and tell field offices about the changes. Technical efforts are always being made to enhance the system.

Improvement – ASPEN is a robust system that supports all of the agencies and bureaus within ISD. ASPEN must be modified as the needs of business users change and to accommodate regulations change. To date, approximately 100 enhancements have been made to the system, with many more to come. Enhancements require staff to gather requirements, design the system changes, test the changes and communicate the updates made to the system, along with the training of users, as needed.

User Support – The majority of ASPEN's 1,500 users have utilized the system for one year or less. This leads to an enhanced need for user support. The ASPEN Help Desk is available via phone or via an on-line portal.

Customer Service Enhancements

ISD added new features to enhance our customer's experience.

- We upgraded the Self-Service Website (Yes-NM), that allows New Mexicans to apply for benefits, report changes and check benefits online at www.yes.state.nm.us. The expanded Customer Service Center allows increased access to benefit and customer information. The Customer Service Center was expanded with additional staff and resources to process cases and provide one-stop resolution in most instances.
- We developed the Centralized ASPEN Scanning Area (CASA), allowing recipients to mail or FAX their eligibility paperwork to CASA. Paperwork is scanned, indexed, and made available for processing by caseworkers. CASA scanned and indexed over 1,222,702 pages received by mail and fax in 2014.
- We have an Interactive Voice Response System (IVR) that allows New Mexicans to use their phones to inquire on the status of their benefits. 73,476 recipients have utilized this service in CY14.

Information Technology Division
Deputy Secretary Sean Pearson



Overview

The Information Technology Division (ITD) accelerated its momentum from previous years. ITD worked on several important initiatives for HSD, with a focus on building IT services that support the Department's strategic goals as well as those of the state as a whole. The following are just a few of ITD's 2014 accomplishments.

Accomplishments

ASPEN—Automated System Program and Eligibility Network

The Department completed the implementation of the ASPEN system in June of this year, moving into maintenance and operations in July. The project was completed on time and on budget. ASPEN is the new integrated eligibility system that will improve access for New Mexicans to services through the web and streamline services for HSD field staff with more efficient and technically advanced tools. This was a multi-year, multi-million dollar project that involved many resources from all of the Department's divisions.

ASPEN Project Accomplishments

- Critical enhancements were made following completion of all planned implementation activities including modifications to interfaces, additional screens to process Claims, Notice enhancements and upgrades to the Fair Hearings module.
- Additional Performance testing of the application to simulate user load and capacity planning were carried out. Additional infrastructure capacity was tested and built as a result of these performance tests.
- A full Disaster Recovery test was successfully performed utilizing offsite infrastructure, applications and data.
- Final implementation activities including training, site support and lobby kiosk rollouts were completed statewide.
- Site support and additional trainings were provided to other ISD offices and staff throughout the year.
- Improvements were made to the service desk solution and the interaction with back-end tools used to prioritize defects and schedule them into future releases of the software.
- Transitions were completed between vendor Help Desk and site support staff to HSD Income Support staff.
- Continued interface with the federally facilitated Marketplace (FFM) including the account transfer of Medicaid eligible clients into ASPEN as well as the transfer of potential qualified health plan customers to the FFM.

System Decommissioning & Migration Project

ITD and many other HSD divisions partnered on a project to retire legacy systems. The majority of the legacy systems functionality is now incorporated into the functionality of ASPEN or other modernized systems. Key results include the simplification of operational complexity and the reduction of mainframe hosting costs from the Department of Information Technology (DoIT). It is projected that over $1 million in savings should be realized moving forward into 2015.

Key accomplishments of the project to date include:

- Retirement and archiving of ISD2
- Retirement of COLTS, LIHEAP and CLAIMS
- Development of eCOLTS and CLAIMS 2.0 systems on a new platform
- Modifications and redevelopment of numerous integrations

Upon retirement of the above systems and resulting processes, ITD and DoIT began work to consolidate mainframe applications and services. The newly consolidated mainframe environment will provide a central service point for standardized mainframe operations and maintenance. The project is a good example of coordination and cooperation across HSD divisions and other state departments to modernize and reduce operational costs while continuing to deliver a high quality service.

Successful Completion of the CA Gen Upgrade Project

The New Mexico Child Support Enforcement System (CSES) was fully implemented in 1998. Since that time, the application developers have been using a computer-aided software engineering (CASE) tool, currently referred to as CA Gen. The tool is critical in reducing development time and costs by removing complexity and allowing development of large scale enterprise transaction processing systems. In March 2011, an analysis and assessment was completed to provide the Department and DoIT with a qualified assessment of potential issues, risks, remedial recommendations and plan for upgrading the previously unsupported CA Gen v6.5 to a newer supported version of CA Gen v.8.

Legislative funding was approved through FY14 and HSD began project initiation activities with the contractor in July 2013. Analysis and Architecture Design activities included a repeat assessment to validate any corruptions or issues for remediation prior to implementation of upgrade which began in October 2013. The complete upgrade was tested, deployed and completed by June 30, 2014.

Child Support Enforcement System Replacement (CSESR) and the Medicaid Management Information System Replacement (MMISR) Projects

In FY14, ITD, the Child Support Enforcement Division (CSED) and the Medical Assistance Division (MAD) launched projects to replace the critical information systems that support the essential functions of CSED and MAD. Both projects are multi-year, multi-million dollar efforts that will transform both divisions. ITD, CSED, and MAD have formed a Project Management Office (PMO) and contracted for project management services to help the divisions manage both projects.

Medical Assistance Division
Julie Weinberg, Director



Overview

During the last year, over one in three New Mexicans received health insurance through Medicaid, the Children's Health Insurance Program (CHIP), or through other medical assistance programs administered by HSD's Medical Assistance Division (HSD/MAD). In 2014, more than 750,000 New Mexicans received coverage through HSD/MAD medical assistance programs, including approximately 354,000 children. This was an increase of 170,000 total recipients from last year. The fiscal year 2014 budget for the Medicaid program is $5.1 billion in state and federal dollars. In 2014, HSD/MAD staff has continued to work diligently to successfully roll out the redesign of the Medicaid program and the Medicaid provisions in the Affordable Care Act.

Accomplishments

New Mexico Centennial Care

On January 1, 2014, HSD fully implemented the modernization of the Medicaid program, Centennial Care. New Mexico's vision for Centennial Care is to build a health care system that delivers the right care at the right time and in the right setting. This vision includes educating recipients to become savvy health care consumers, promoting integrated care, delivering proper care coordination, especially for the most at-risk recipients, involving recipients in their own wellness, and paying providers for good health outcomes.

The four key guiding principles of Centennial Care are:

1. To develop a comprehensive service delivery system that provides the full array of benefits and services offered through the state's Medicaid program;
2. To encourage more personal responsibility so that recipients become active participants in their own health care and more efficient users of the health care system;
3. To increase the emphasis on payment reforms that pay for better health outcomes rather than for the quantity of services delivered; and
4. To simplify administration of the program for the state, providers and recipients where possible.

Early successes of Centennial Care include:

- Providing services to 585,234 Medicaid recipients through Centennial Care;
- Increasing the number of Medicaid recipients receiving home and community benefits;
- Creating an Independent Consumer Support System (ICSS);
- Assessing health risk for almost 50 percent of Centennial Care members;
- Steadily decreasing Emergency Room (ER) visits (per 1000 member months) from FY2013 to FY2014;
  - Centennial Care programs reported an average of 39 ER visits, per 1000 member months in FY13, compared to an average of 35 ER visits in FY14.
- Implementing eight HEDIS- based Performance Measures (PMs) into the Managed Care Organizations' (MCOs) Centennial Care contractual requirements, specifically:

1. Annual Dental Visit
2. Use of Appropriate Medications for People with Asthma
3. Controlling High Blood Pressure
4. Comprehensive Diabetes Care -HbA1c Testing
5. Timeliness of Prenatal and Postpartum Care
6. Frequency of On-Going Prenatal Care
7. Antidepressant Medication Management
8. Follow-Up after Hospitalization for Mental Illness

- Establishing Centennial Care Tracking Measure requirements for MCOs to ensure quality assurance related to fall risk management, diabetes short-term complications admission rate, and screening for clinical depression and follow-up plan.

In the first year of Centennial Care, the MCO contracts required the following improvements to the delivery system:

- Increased use of electronic health records and the number of contracted providers who participate in the exchange of electronic health information;
- A minimum of a 15% increase in telehealth "office" visits with specialists, including behavioral health specialists, in rural and frontier areas;
- A minimum of a 5% increase in the number of members being served by Patient-Centered Medical Homes; and
- A minimum of a 10% reduction in non-emergent use of the emergency room.

Initiatives in development during the first year include:

- Creation of health homes, in collaboration with Core Service Agencies, targeted to members with behavioral health conditions;
- Provider payment reform projects;
- Expanding access to care by maximizing scopes of practice for certain provider types;
- Increased utilization of community health workers; and
- Pilot project with Bernalillo County to assist jail-involved with access to care immediately following release.

Medicaid Expansion and the Affordable Care Act

In January 2014, New Mexico expanded the Medicaid program to include adults with income at or below 138% of the federal poverty level (FPL), which is about $16,105 per year for an individual. By the end of 2014, there were 181,000 new Medicaid enrollees due to the expansion, most of them individuals who were previously uninsured.

Most of the low-income adults who are eligible for the expanded Medicaid program receive their health care benefits through the Alternative Benefit Plan (ABP). The ABP includes doctor visits, preventive care, hospital care, emergency room or urgent care, mental health care, prescriptions and other services that are defined as "essential health benefits" by the Patient Protection and Affordable Care Act (ACA). In addition, the current Medicaid adult dental benefit is included in the ABP.

Member Education

Through the Children's Health Insurance Program Reauthorization Act (CHIPRA) Cycle III grant award, HSD developed an on-line screening tool and electronic application submission tool exclusively for the use of presumptive eligibility determiners (PEDs). This system, Yes New Mexico for PEDs (YESNM-PE), is available to PEDs state-wide. It accurately screens individuals (or entire households) for possible Medicaid eligibility. Once the screening is complete, PE is granted to eligible individuals. The system then allows the information supplied for the screening to be used in an application for ongoing eligibility if the individual chooses to apply for ongoing coverage.

Tribal Involvement

The HSD/MAD tribal liaison continued to reach out to Native American communities and IHS/Tribal 638 health care centers to provide information on Centennial Care. The tribal liaison attended over eighteen outreach events from the Jicaralla Apache Nation and Navajo Nation to the Mescalero Apache Tribe and many of the Pueblos in between. The liaison and the Centennial Care MCOs also planned events in tribal communities, IHS hospitals and clinics to complete health risk assessments for hard to reach members.
The Medical Assistance Division's tribal liaison also attended many of the MCOs' Native American Advisory Board (NAAB) meetings. These meetings were held quarterly in various tribal communities around the state.

In 2014, the focus of the Native American Technical Advisory Committee (NATAC), under the leadership of Julie Weinberg, was to report at each meeting the number of Native American enrolled in an MCO, the status of Medicaid applications, and to resolve issues related to access to care and claims payment within IHS and Tribal 638 healthcare facilities.

Native American Liaison
Priscilla Caverly, Liaison



Human Services Department Tribal Liaisons

The New Mexico Human Services Department (HSD) strives to address the concerns that impact all New Mexicans. This includes the state's Native American population, living both on and off tribal lands. HSDs priorities include providing access for individuals to our programs and to strengthen our relationships and partnerships with New Mexico Indian Tribes, Nations, and Pueblos. HSD administers services to more than 780,000 low-income New Mexicans, including thousands of Native Americans, in over thirteen programs administered through four Program Divisions:

- Medical Assistance Division (MAD) – The Medicaid program works hand-in-hand with the Indian Health Service and Tribal and Urban (ITU) health clinics to provide access to medical services. In 2014 there were 93,396 Native Americans enrolled in Medicaid.
- Income Support Division (ISD) - The Income Support Division (ISD) assists eligible low-income families through cash, food, medical, energy assistance, and supportive services. In FY2014 HSD maintained its services to Native Americans by continued support of out-stationed Workers who assist with applications for HSD services.
- Child Support Enforcement Division (CSED) - CSED has a Joint Powers Agreement with the Navajo Nation for operation of child support enforcement on the Navajo Nation. Upon request, CSED provides child support services and technical assistance to tribes and pueblos across NM.
- Behavioral Health Services Division (BHSD) - BHSD staff works with ITUs on several federal grants and state programs and ensures access to prevention, intervention and advocacy services.

To promote collaboration and communication between the Department and the Tribes, HSD created three Native American Liaison positions serving in the Office of the Secretary, the Medical Assistance Division, and in the Behavioral Health Services Division. Tribal Liaisons interact closely with tribal communities, facilitate consultations and collaborations, and are a direct resource to tribal leadership.

Tribal Liaisons

Priscilla Caverly, HSD Office of the Secretary
Theresa Belanger, HSD Medical Assistance Division
Barbara Alvarez, HSD Behavioral Health Division

For complete information on HSD services and funding see the FY 2014 STCA Report at
http://www.hsd.state.nm.us/Native_American_Liaison.aspx

Office of Human Resources
Johnna Padilla, Director



Overview

In 2014, HSD's Office of Human Resources (OHR) has continued in its efforts to provide excellent customer service to Department staff in all aspects of human resources services. This year, OHR had a strong hands-on participation in the recruitment and hiring process. OHR staff not only provided the usual recruitment services, but also participated on many interview panels. Additionally, OHR kicked off a series of management trainings in anticipation over delivering positive, long-term results in management knowledge and employee retention. HSD employs over 2000 people, and OHR remains committed to serving the needs of the Department and its staff.

Accomplishments

The OHR Administration Section responsibly managed the recruiting functions for the entire Department; posting 598 job opportunities on the State Personnel Office (SPO) website and processing referral lists timely and professionally. OHR analysts processed over 2,155 human resource actions, including 228 hires, 99 promotions, 59 transfers, 73 retirements and 299 terminations.

In the true spirit of teamwork, the OHR Administration Section, Classification and Compensation Section and Employee and Labor Relations Section combined forces to assist the Income Support Division (ISD) in filling critical caseworker positions. Multiple, simultaneous interviews were conducted to hire additional staff for some of the state's busiest field offices to ensure New Mexico's most vulnerable citizens receive timely and professional assistance.

In an effort to fill multiple attorney positions and support CSED, the OHR Classification and Compensation Section, in conjunction with the CSED Legal Unit and SPO, created temporary Law Clerk positions to entice law students and attorneys with minimal experience to work for the State. The individuals were later promoted to permanent Lawyer-Basic positions, which provided the Department with much-needed legal assistance and, at the same time, provided permanent employment for the lawyers.

The OHR Staff Development and Training Section has completed its fifth year of providing online training via IDEAL-NM's Learning Management System, Blackboard. Blackboard is administered for state agencies by the Public Education Department (PED) at no additional operating costs to HSD. The HSD online training program provides accessible training on demand to all HSD employees for federal, state, department, and union mandated courses, as well as courses for professional development.

OHR Training staff is working collaboratively with ISD, which is now using Blackboard to provide online training for new hires as prerequisites to instructor-led classes as well as refreshers for current employees. ISD's Training Unit has been instructed this year on Blackboard administration and is now providing their own development, management, and reporting of ISD classes. In addition, OHR Training developed courses in collaboration with CSED and MAD specific to their division needs, with OHR Training staff administering and managing the courses online.

This year HSD training on Blackboard has been expanded to enroll contractors, vendors, and other non-HSD personnel for access to trainings required by HSD when working in HSD offices or accessing HSD networks for systems such as ASPEN.

The OHR Training Unit also began the pilot of The HSD Leadership Development Program, a series of 10 courses providing leadership training and skills regarding topics such as Communication, Supporting Change, Coaching and Mentoring to all CSED management personnel. MAD also began participating in the program.

In 2014, the Employee and Labor Relations (ELR) Section has continued to play a vital part in assisting the Department's managers with addressing personnel issues by providing necessary training, coaching and employment resources. Personnel issues involving employee performance, disciplinary actions, complaints, union grievances and medical issues are consistently present in the workplace, and the ELR Section works closely with managers to provide guidance on how to effectively manage these issues.

This year, the ELR Section worked with the Staff Development and Training Section in developing a management training that specifically focused on how to effectively use discipline and how to develop positive relationships with union representatives. Members of the SPO Employee Relations team assisted with this training and contributed a wealth of union specific knowledge to our managers. The ELR Section also worked closely with the Office of General Counsel and the Office of Inspector General in taking a proactive approach to reduce the Department's potential liabilities that surround employment actions.

The ELR Section efficiently provided the Department's managers with guidance and tools that allowed them to make appropriate employment decisions out in the field. In addition to these tools, the ELR section takes a proactive approach in resolving Labor/Management complaints and grievances utilizing alternative dispute resolution techniques.

Office of the Inspector General
Francis "Frank" Sherman, Director



Overview

HSD's Office of Inspector General (OIG) is one of the largest compliance divisions of any state agency in New Mexico. OIG is responsible for investigating and auditing allegations of fraud, waste and abuse for all public assistance programs administered by HSD. Additionally, the office provides administrative support to the Fair Hearings Bureau, which ensures all parties are afforded a fair hearing meeting due process requirements, within state and federal requirements.

Accomplishments

Internal Review Bureau

2014 has been a year of restructuring and refocus for the Internal Review Bureau. The Bureau operated with three or fewer staff members for most of the year but has continued to monitor and adjust activities to ensure that resources are allocated appropriately. This year, the Bureau has worked on projects that will assist HSD in ensuring operational efficiency and effectiveness.

- Development and publication of the Human Services Department Risk Management Plan.
- Creation of the OIG Dashboard to automate several manual processes of extracting and analyzing data from ASPEN. Currently, the Dashboard includes an Investigations Histogram, a Universe Histogram and a section for Administrative Disqualification Hearings. The Dashboard allows user-specified reports to be generated, which has decreased the amount of time and resources allocated to extracting numerous items of data from ASPEN. It has also eliminated the need to analyze individual pieces of data that can now be summarized in various formats. Several more report format requests are expected to be submitted in the near future.
- Initiated review procedures for the PERM/MEQC Centers for Medicare and Medicaid Services (CMS) Pilot Review, and completed and submitted the Round I Pilot Review Findings Report and the Round II Pilot Review Proposal and received approval from CMS.
- Completed a compliance review that identified several areas that required internal control and procedural improvements.

We remain focused on our mission of being the preeminent provider of value-added internal review services and to the continual improvement of our review processes. Our success would not be possible without the support of the Administration and HSD, as well as the cooperation of our clients.

Investigations Bureau

There were over 1,300 referrals made to the OIG fraud hotline regarding suspected fraud in 2014. Of the full investigations opened and assigned, $1,852,629.69 was identified for collection from HSD recipients and Medicaid Providers.

- 146 cases were assigned for investigation.
- Twenty-nine (29) cases were referred for criminal prosecution and are currently awaiting trial. Ten (10)

recipients pled guilty to or were convicted of public assistance fraud.
- Sixty-eight (68) cases were submitted for an administrative disqualification hearing (ADH) regarding allegations of intentional program violations (IPV) by HSD recipients.
- Twenty-five (25) investigations were closed as unsubstantiated.
- Forty-one (41) Medicaid provider fraud reviews.
- Nine (9) Professional Standards Investigations.

Additionally, the Bureau has applied for and obtained federal and state funding to increase investigative training, allowing two employees to begin the year-long process of obtaining certification in Forensic Computer Analysis and three investigators to earn their Medicaid Fraud Investigator certifications. Finally, the Bureau went live with the new eligibility and case management system, ASPEN.

Fair Hearings Bureau

The Fair Hearings Bureau is responsible for accepting hearing requests from participants for all public assistance programs administered by HSD, as well as hearings requested by providers contracted by the Medical Assistance Division, in partnership with the New Mexico Department of Health.

In calendar year 2014 there were 6,911 hearing requests for the more than twenty public assistance programs administered by the Department; with the majority of hearings focused on:

- Supplemental Nutrition Assistance Program (SNAP);
- Temporary Assistance for Needy Families (TANF);
- General Assistance;
- Medicaid Eligibility programs;
- Managed Care;
- Mi Via Waiver Program;
- Developmental Disabilities waiver program;
- Nursing home transfer or discharge of Medicaid recipients;
- Personal care option services and;
- State coverage insurance;
- Child Support Enforcement Tax Intercept and Financial Institution Data Match activities; and
- Administrative Disqualification from SNAP participation due to intentional program violation.