

Human Services Department

Medicaid Program Budget

What is the Medicaid program budget?

The FY21 Medicaid program budget is projected to be \$6.5 billion, with a projected enrollment of 850,000 New Mexico residents. Most of the total cost is paid by the federal government. Medicaid provides health coverage to eligible low-income adults, children, pregnant women, elderly individuals, and people with disabilities. Because New Mexico is a lower income state, its federal match rate is the third highest in the country.

FY21 Incremental Budget Request: \$1,082,500.0 (\$1.1 billion)

\$1,082,500.0 (\$1.1 billion) general fund (GF), which represents an increase of \$62.8 over FY20. The Medical Assistance Division has completed a subsequent projection for FY21 which was released on October 24. The revised FY21 request is now \$1,100,900.0 (\$1.1 Billion) or \$81.8 over FY20 appropriation levels, for an increase of \$18.4 over the September request. Most of the change is due to the inclusion of the Health Insurance Providers Fee.

Financial benefits to New Mexico

For every \$22 GF spent on Medicaid, the federal government provides \$78. For every \$1 New Mexico puts into the Medicaid program, the federal government provides \$3.54.

Financial benefits to New Mexico

The Medicaid program infuses more than \$6.5 billion annually into the state economy and has been the main source of economic growth since the expansion of Medicaid to low-income adults in 2014. Medicaid expansion has added \$6 billion in new federal funding and more than 10,000 jobs.

Before Medicaid expansion, New Mexico had one of the highest uninsured rates at more than 20%. In 2018, the uninsured rate was 9.5%. The Medicaid program also represents a substantial portion of income for health care providers across New Mexico, especially in rural and frontier areas.

FY20 Projections					
Date	Item	Total	Federal	Other	GF
9-1-19	FY20 Budget	\$6,119.5	\$4,799.1	\$294.0	\$1,026.4
10-24-19	FY20 Budget	\$6,188.6	\$4,876.8	\$292.7	\$1,019.1
	Change	\$69.1	\$77.8	\$(1.3)	\$(7.3)
FY21 Projections					
Date	Item	Total	Federal	Other	GF
9-1-19	FY21 Request	\$6,582.7	\$5,143.5	\$356.6	1,082.5
10-24-19	FY21 Request	\$6,697.6	\$5,251.5	\$345.2	\$1,100.9
	Change	\$115.0	\$107.9	\$(11.3)	\$18.4
FY21 to FY20 Comparison					
Date	Item	Total	Federal	Other	GF
9-1-19	FY21 vs. FY20	\$463.2	\$344.5	\$62.6	\$56.1
10-24-19	FY21 vs. FY20	\$509.0	\$374.7	\$52.5	\$81.8
Appropriation Comparison					
Date		FY20 General Fund			\$1,019.7
9-1-19			Difference		\$62.8
10-24-14			Difference		\$81.2

Frequently Asked Question

Q. How many New Mexicans are enrolled in the Medicaid program?

A. Enrollment is nearly 840,000. 264,000 (31%) are covered in the Affordable Care Act expansion. 365,000 (43% are children) and 475,000 (57%) are adults.

Q. How many people are enrolled in Medicaid Managed Care?

A. 684,000 (more than 80%) are enrolled in Medicaid Managed Care.

Q. What is the average cost of a Medicaid recipient?

A. The average cost of Medicaid managed care recipient is about \$521 per-member per-month (pmpm) (\$106 pmpm general fund).

FY21 Budget Request Updated with September 2019 Data Projection



FY 2021 vs. FY 2020 Budget Projection Component and FFP Changes (in 000s)					
Description	Total	General Fund ¹			FFP
		Computable	Growth	FFP Δ	Total
<i>Expenditure Change</i>					
Health Insurance Providers Fee (9/2019) ⁵	\$100,000	\$0	\$0	\$20,287	79.71%
Other changes to FY20 & FY21 since budget request ⁵	(\$54,225)	\$22,103	(\$6,523)	(\$4,706)	
Centennial Care 2.0 Initiative	\$0	\$0	\$0	\$0	
Coverage Initiatives	\$500	\$500	\$0	\$500	0.00%
Hospital & Provider Rate Increases	\$79,851	\$16,518	\$331	\$16,850	78.90%
SB246 Health Care Quality Surcharge ²	\$59,309	\$15,381	\$0	\$15,381	74.07%
Centennial Care - Managed Care Enrollment	\$39,905	\$6,308	\$4,471	\$10,779	72.99%
Centennial Care - Managed Care Rates	\$122,877	\$19,423	\$13,767	\$33,190	72.99%
Medicare Part A, B, and D	\$12,597	\$5,872	(\$667)	\$5,205	58.68%
Fee-for-service lines, HIT, UR, Contracts	\$11,980	\$1,621	\$788	\$2,409	79.89%
DD & MF Traditional, Mi Via and Supports Waivers (DOH)	\$136,234	\$37,770	(\$3,303)	\$34,467	74.70%
Total Changes in Expenditures	\$509,029	\$125,497	\$8,865	\$134,362	73.60%
<i>Revenue Change ⁴</i>					
DD & MF Traditional, Mi Via and Supports Waivers (DOH) ³				\$34,467	
Early Childhood Education Childcare Dept. for FIT				\$3,990	
Health Care and Disability Health Care Facility Funds ²				\$16,581	
MSBS CPE				\$5,521	
I.H.S referrals 100% FFP				\$2,099	
FY20 State Revenue Surplus / (Shortfall)				(\$6,725)	
Other changes to FY20 & FY21 since budget request ⁵				(\$2,781)	
Total Changes in Revenues				\$53,151	
Total Changes from FY20 projection (GF Expenditures - Revenues)				\$81,211	
Total Changes from FY20 projection from Budget Request				\$62,848	
Difference From Budget Request				\$18,362	

Notes:

1. Negative GF is a decrease in need while positive GF is an increase in need.
2. The general fund need for SB 246 Health Care Quality Surcharge is provided by the Health Care and Disability Health Care Facility Funds.
3. The general fund need for this program is provided by DOH.
4. Only revenues that have changed are included.
5. Changes in FY20 and FY21 budget projections since the budget request are included in these 3 lines. No other comparison lines have been updated. HIPF has also been added back to FY20 budget.

*Source: New Mexico Medical Assistance Division
Updated: Oct. 28, 2019*

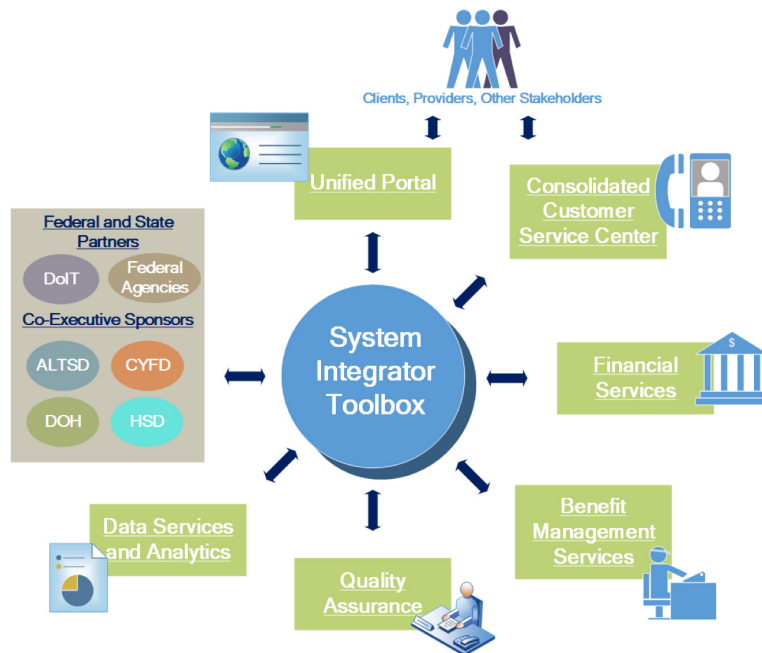
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Oct. 29, 2019

What is MMISR?

Medicaid Management Information System Replacement (MMISR) is a multi-year project to implement a new modular management information system for Medicaid that serves multiple health and human services agencies.



Serving over 1 million New Mexicans



Serving over 76,000 Providers

Why does the Medicaid MMISR need permanent staff?

The MMISR positions are classified as term which has made it impossible to successfully recruit and retain qualified individuals for these positions. Utilizing contractors in lieu of permanent state employees cost five times more.

Permanent state employees vs. contractors

Permanent state employees
\$2.363 Million
 \$591k in General Fund



Contractors
\$11.236 Million
 \$2.8M in General Fund

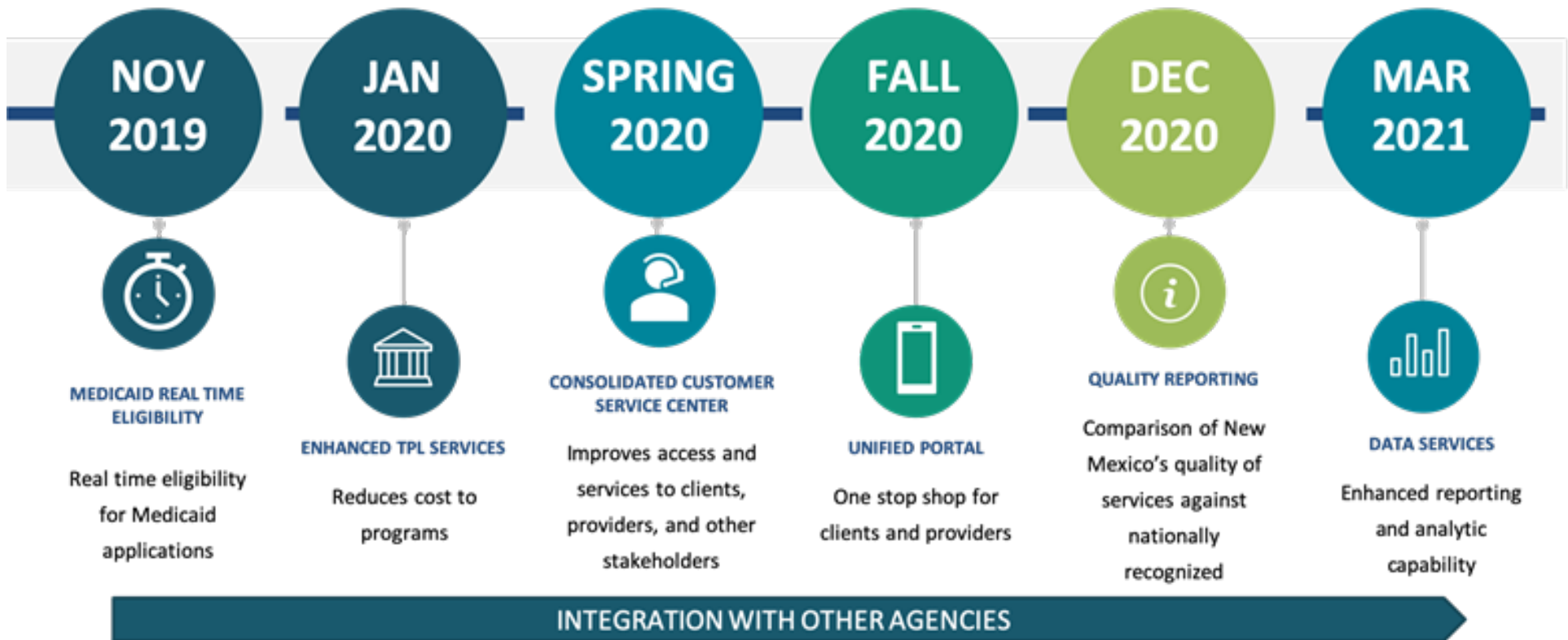
Permanent state employees will improve HSD's ability to:

- Measure behavioral health and primary care provider network and service capacity.
- Expand and track value-based purchasing in the Medicaid program.
- Measure provider and MCO quality and service delivery.
- Create effective provider payment structures.
- Measure service delivery and healthcare outcomes.
- Help members to participate in their care.
- Use analytics to drive better program management, public reporting, and accountability to HSD stakeholders.

Financial benefits to New Mexico

For every general fund dollar spent adding these staff, HSD receives \$3 to \$9 federal match.

HHS 2020 MMISR KEY MILESTONES



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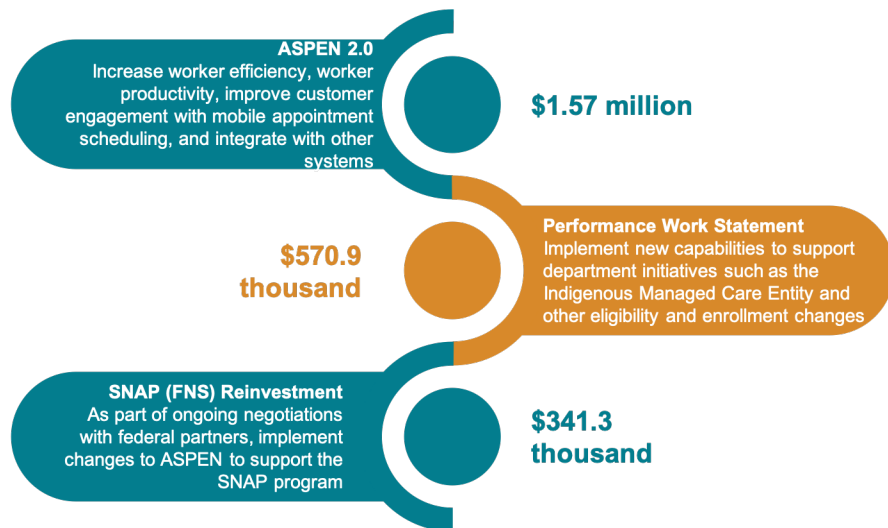
Dec. 8, 2019

Human Services Department

Automated System Program and Eligibility Network (ASPEN)

What is the FY21 funding request for the ASPEN integrated eligibility system?

HSD is requesting an additional \$2.49 million in general fund in FY21 for the ASPEN system to facilitate enhancements to the state’s integrated eligibility software that will impact both state employees and benefit recipients.



Incremental budget request:

FY21 ASPEN General Fund Request	SFY21 Request Amount
ASPEN 2.0	\$1,572,480
Performance Work Statement	\$570,900
Food and Nutrition Services Reinvestment	\$341,300
Base Contract	\$3,888,400
FY 21 Total	\$6,373,200

General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$3,888,400	\$6,373,200	\$2,484,800
Federal Fund	\$8,002,800	\$12,741,700	\$4,738,900

In previous fiscal years, the department has had to supplement its funding for ASPEN to meet changing program needs. For FY21, the department is rightsizing its general fund request to improve operations and benefit more New Mexicans than ever before.

Financial Benefits to New Mexico

There is a 67% federal match for all general fund expenditures designated for the ASPEN integrated eligibility software based on a federally approved cost allocation methodology.

Benefits to New Mexicans

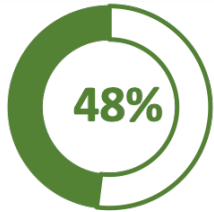
This funding request provides several benefits to the state of New Mexico. As part of our agreement with our federal partners at the Food and Nutrition Services (FNS), HSD has taken the initiative to reinvest in the eligibility system that provides SNAP benefits to New Mexicans. This reinvestment is being made in lieu of having to pay back significantly more dollars to FNS and will not only allow the state to avoid the expenditure associated with the debt but will also provide enhanced benefit delivery services for applicants/recipients.

How does the FY21 funding request for ASPEN work?

The ASPEN system provides for eligibility and enrollment of over 825,000 New Mexicans in Medicaid, 450,000 in SNAP, 29,600 with cash assistance. On average, it cost \$1.80 per person per month to support the ASPEN system. The federal government pays \$1.20 of that \$1.80.



aspen by the Numbers



48%



New Mexicans served by HSD programs

Increase in caseload and individuals served since 2013

40%



1,500+

staff use ASPEN each day



34

HSD Field Office Locations

Benefits Issued Annually

\$736M

\$57M

\$12M



SNAP



Cash Assistance



LIHEAP

825k

Enrolled in Medicaid

566K

Applications Processed Annually

4.7M

Changes in Circumstance Processed Annually

398K

Renewals Processed Annually

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Dec. 8, 2019

Human Services Department

Child Support Modernization

What is Child Support Modernization?

Child Support modernization in New Mexico is necessary to implement new federal regulations directing our Child Support Enforcement Division (CSED) program redesign, which began in 2013. The work focuses on several major child support areas:

1. Business process assessment and redesign.
2. Statute and regulation assessment and revision.
3. Staff development assessment and redesign.
4. Computer system (CSES) mainframe replacement.

FY21 Incremental Budget Request: \$530.9 GF

Major Initiatives = \$446.5 GF	FY21 Request
Decision Support Tool: Move staff to data driven process	\$136.00
STEPup Program: Partnership with the DWS to employ unemployed child support payors	\$228.50
Child Support Rebranding Campaign: Marketing strategy to communicate new approach	\$82.0

General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$7,927.1	\$8,458.0	\$530.9
Federal Fund	\$20,927.6	\$21,901.4	\$973.8

Benefits to New Mexico

Child support remains an important source of income to provide financial stability. CSED collected \$137.5M in Child Support in FY19. The living wage for a family with one parent and two children is approximately \$4,676 per month. Public assistance recipients in New Mexico average a monthly income of \$822.48. TANF, SNAP, LIHEAP, and Medicaid are crucial in assisting parents with survival, but as their earning capacity increases benefits drop off.

How Child Support Modernization Works

The Rio Rancho pilot office increased child support collections by 5.2%, since the pilot began in Summer 2019. If all 14 Child Support Offices realize the same 5.2% collections improvement, the \$530.9 in GF investment will result in an additional \$7,470 in child support collections.

Phase	Description	FY
Phase 1	Rio Rancho Pilot launch new reporting/case assessment tools	2019
Phase 2	STEPup Kickoff; Change Management; ABQ & Farmington Pilot	2020
Phase 3	State-wide process and STEPup implementation with Rebranding	2021
Phase 4	Lean Six-Sigma model and system replacement kick-off	2022

Frequently Asked Questions

Q. Will shifting the focus from legal enforcement to employment let non-paying child support payors off the hook?

A. No. The work requirements in child support orders require compliance. If non-compliance occurs, further legal enforcement will be initiated, as it has in the past.

Q. Will Child Support Modernization reduce the amount of child support that I am currently receiving?

A. Possibly, but each family's situation is different. Under the new Federal Modernization regulations, CSED must use the actual income of both parties based on reliable evidence. In calculating the monthly support amount, child support staff will no longer be able to impute income, and this could reduce the monthly court ordered support amount.



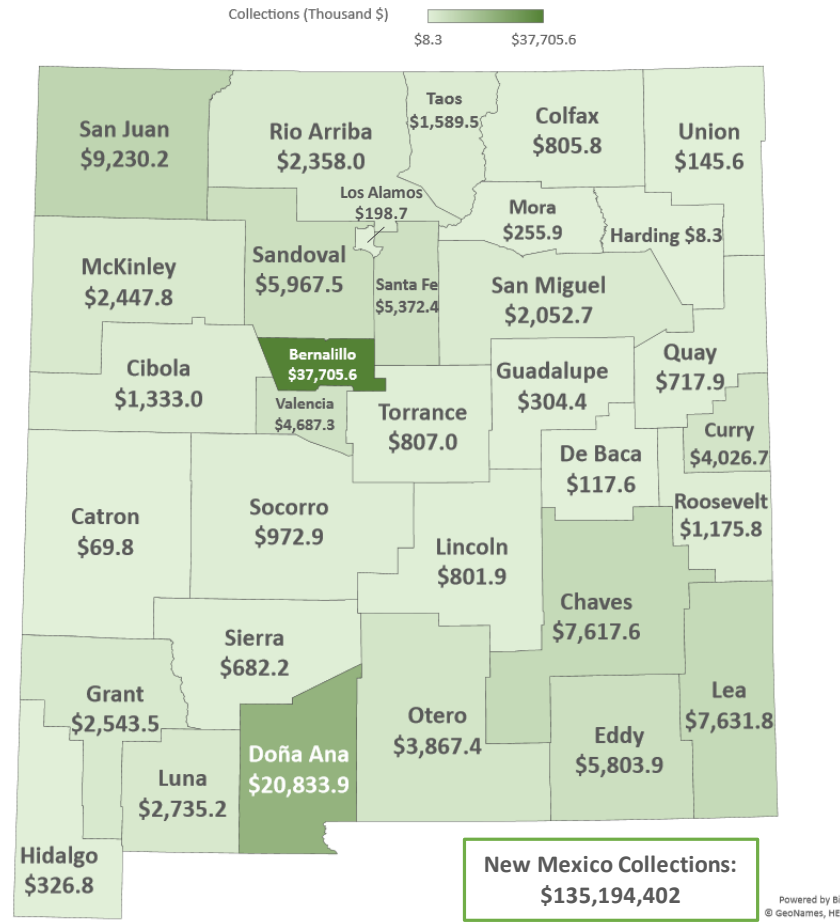
\$530.9 General Fund results in \$7,470.0 more to New Mexico kids annually



HUMAN SERVICES DEPARTMENT



Child Support Collections by County as of October 2019



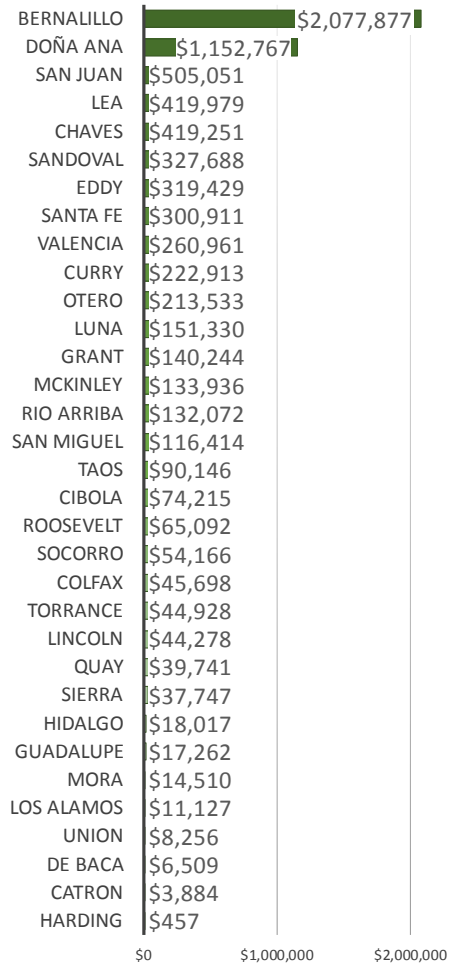
Source: New Mexico Human Services Department, Child Support Enforcement Division, Case Management System. Collections data as of October 2019.

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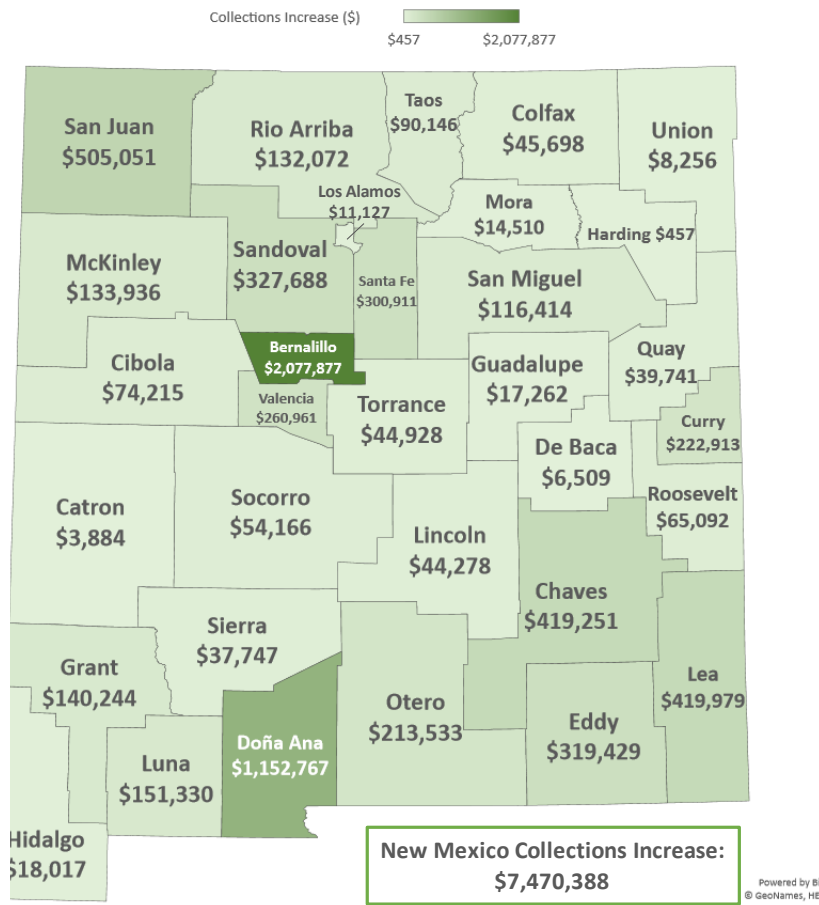
\$530.9 General Fund Results in \$7,470.0 more to New Mexico kids annually



HUMAN SERVICES DEPARTMENT



Projected Child Support Collections Increase by County as of October 2019



Source: New Mexico Human Services Department, Child Support Enforcement Division, Case Management System and CSED estimated projections. Collections data as of October 2019.

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Dec. 8, 2019

Human Services Department

Intervention Demonstration Project

What is the Intervention Demonstration Project (IDP)?

IDP increases access to behavioral health services for individuals while incarcerated, to improve re-entry support, and expand connections to housing supports.

Incremental Budget Request: \$4 million

General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$2.5 million (non-recurring)	\$4 million	\$1.5 million

How does the Intervention Demonstration Project work?

Using epidemiological data and other source data including alcohol use mortality rates, drug overdose deaths, suicide rates, incarcerations and housing options, BHSD selected five counties: Grant, San Juan, San Miguel, Sierra and Valencia to pilot services for incarcerated individuals.

There are two validated models for the justice involved, the Sequential Intercept Model (SIM) and the Stepping Up Initiative. The IDP requires:

- Behavioral health services be provided within a local county jail/detention center.
- Concurrently, targeted interventions and transitional services are offered and provided to these same individuals upon reentry to the community including addressing:
 - Housing needs for those who might otherwise be homeless.
 - Barriers to education, employment, transportation options and other characteristics related to connectivity to services at the time of release.
 - Supports for a path to recovery.

Benefits of IDP to New Mexicans

- Efforts can support communities in increasing public safety by reducing recidivism and putting more people on a path to recovery.

- Research shows individuals with behavioral health needs enter the criminal justice system at a greater frequency, and for longer periods of time, than people in the same community without behavioral health disorders.
- The five counties participating in this project have reported that 40-50% of their inmate/detainee population has behavioral health needs or diagnoses and require behavioral health treatment.

Frequently Asked Questions

Q. What evidence based practices are being applied?

A. Cognitive Based Therapy (CBT) has been proven to be most effective in addressing behaviors that may help to reduce re-incarceration and recidivism. Examples include: Moral Reconciliation Therapy (MRT), Community Reinforcement and Family Training (CRAFT), Motivational Interviewing.

Q. What are the more significant barriers being faced?

A. Finding appropriate behavioral health providers, diagnostic approaches, suitable housing options and transportation services, as well as maintaining security within the facility while providing direct intervention services.

Q. How many individuals are being served? ?

A. Currently, average participation among the five counties is 23 individuals.

Q. What specific substances are being addressed?

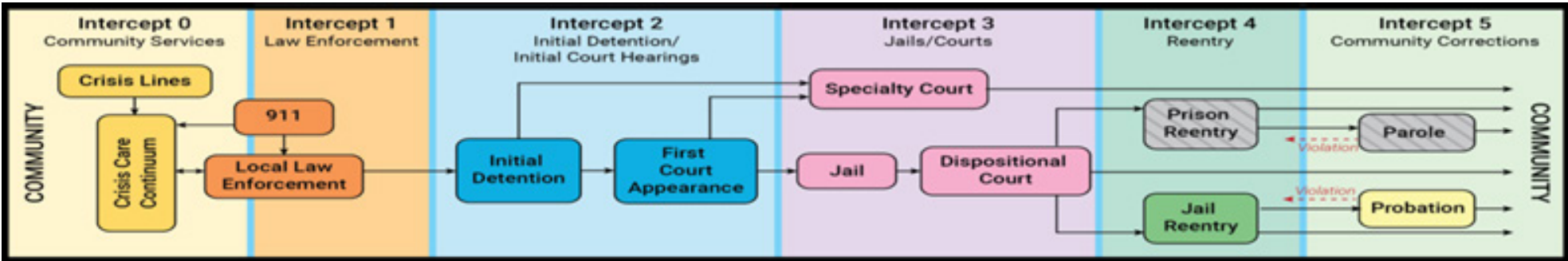
A. Opioid use is the primary substance being addressed. However, CBT has also been known to be effective with alcohol and methamphetamine use, particularly MRT.

Q. Is Medicated-Assisted Treatments (MAT) being offered?

A. San Miguel implemented a MAT program in 2018 to inmates/detainees identified as having co-occurring disorders. They have used IDP funding to expand their current program to individuals in the general population. MAT is also available as part of the continuum of care available to detainees and as part of the service package in Grant County.



Sequential Intercept Model



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Dec. 8, 2019

What is supportive housing?

Supportive Housing is a comprehensive approach using evidence-based models that surrounds an individual or family with supports so that they can attain and retain permanent housing. It contributes to a holistic focus on improved health outcomes and reduced inpatient care utilization. Housing provides basis for people to focus on other recovery and stabilization tasks.

Incremental budget request: \$4 million

- Expands linkages rental assistance funding.
- Program would increase from 153 to 328 eligible households served.
- Increases linkages support services.
- Increases funding for Medicaid supportive housing.
- Increases funding for move-in assistance and eviction prevention grants.
- Increase from 227 to 544 grants.
- Supports approximately 50 certified peer support workers in receiving specialized supportive housing certification.
- Support increased training and technical assistance to the state's supportive housing providers.

General Fund and Federal Fund (FY 2020, 2021, difference)

	FY 2020	FY 2021	Difference
General Fund	\$2,815,852	\$6,815,852	\$4 million

How does Supportive Housing work?

Linkages is a tenant-based permanent supportive housing program that serves homeless adults (and their families) diagnosed with a severe mental illness, are functionally impaired, and have extremely low income. Linkages has two components: rental assistance and support services.

The Move-In Assistance and Eviction Prevention program provides one-time grants to help eligible consumers get and keep their housing.

- Grants are typically used for rent, deposits, and utilities.
- Participants must be receiving behavioral health services to be eligible.

Benefits of supportive housing to New Mexicans

- Reduced homelessness.
- Better population health outcomes.
- Housing stability – On average, 88% of individuals in the state Linkages program remain housed after one year.
- Federal compliance – with the U.S. Supreme Court's decision in *Olmstead v. L.C.* that individuals with disabilities must be afforded the ability to live in the most integrated setting possible.

Financial benefits to New Mexicans

Cost efficiency – A 2013 UNM study of Albuquerque supportive housing showed cost savings of \$12,831.68 per person through reduced use of shelters, emergency rooms, crisis services, and detention facilities¹.

Frequently Asked Questions

Q. Why does HSD have several different housing programs?

A. Experience and evidence shows that it is important to meet consumers where they are and to provide housing options that meet their specific situations and needs. For that reason, HSD supports a range of supportive housing interventions from short-term to permanent housing.

- Crisis housing.
- Move-in assistance and eviction prevention.
- Oxford houses.
- Almost Home case management.
- Rapid re-housing.
- Linkages permanent supportive housing.
- Local lead agency set-aside housing.
- Training/technical assistance.

¹ Guerin, Paul and Alexandra Tonigan, Report in Brief: City of Albuquerque Heading Home Cost Study, University of New Mexico Institute for Social Research, September 2013.

Supportive Housing



Supportive Housing - A more humane solution to ending homelessness for families and individuals struggling with addiction, mental health and/or other disabilities who lack the social support, resources or ability to sustain and maintain housing without supportive services and subsidized housing.

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Dec. 8, 2019

Human Services Department

Employment Related Services for ABAWD

Employment and Training Expansion

New Mexico Works (NMW) employment and training expansion extends employment support for Able Bodied Adults without Dependents (ABAWD). New Mexico currently has a statewide waiver for ABAWD work requirements to receive Supplemental Nutrition Assistance Program (SNAP). The waiver expires Feb. 29, 2020.

The U.S. Food and Nutrition Service enacted a new rule Dec. 4, 2019, ending statewide waivers for ABAWDs. Without the waiver, 35,741 New Mexicans are at risk of losing their SNAP food benefits if they cannot find employment or a voluntary position that meets the new rule's requirement.

The new rule impacts adults ages 18-49, without a dependent and without a disability, to 3 months of food assistance in a 36-month period unless the individual is working or participating in a work program for at least 80 hours per month or volunteering.

Expanding the NMW contract will provide the ABAWD population: job skills; employment services; activities to meet the work requirement; and engagement & outreach to participants and community partners.

Incremental Budget Request: \$3,703.0

General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$0	\$3,703.0	\$3,703.0
Federal Fund	\$0	\$3,703.0	\$3,703.0
Combined	\$0	\$7,460.0	\$7,460.0

Cost to State	Potential Annual Earnings of Participant	Additional State Payroll Tax Receipts	Overall Impact to the Economy	Jobs Created	Net Benefit	Return on Investment
\$3,703.0	\$60,347.5	\$746.4	\$95,561.9	717	\$92,605.3	\$25 for every \$1 in GF

Financial benefits to New Mexico

HSD can help mitigate the potential food insecurity for 35,741 New Mexicans by helping them meet their work requirement and still receive food benefits while gaining job skills and hopefully gainful employment.

The benefits generated by the newly served ABAWD group includes \$60,347.5 in potential annual earnings and \$746.4 in additional state payroll tax receipts. The impact to the overall economy is estimated to be \$95,561.9 with 717 jobs created for a net benefit of \$92,605.3.

Benefits to New Mexicans

New Mexico would see a return of \$25 to the state's economy for every \$1 in general funds invested. (Note actual numbers have been used in this document rather than estimates previously provided. The number of ABAWD has been revised up by 13,741. The return on investment has increased, but the benefit to each client and the cost of the program remains the same.)

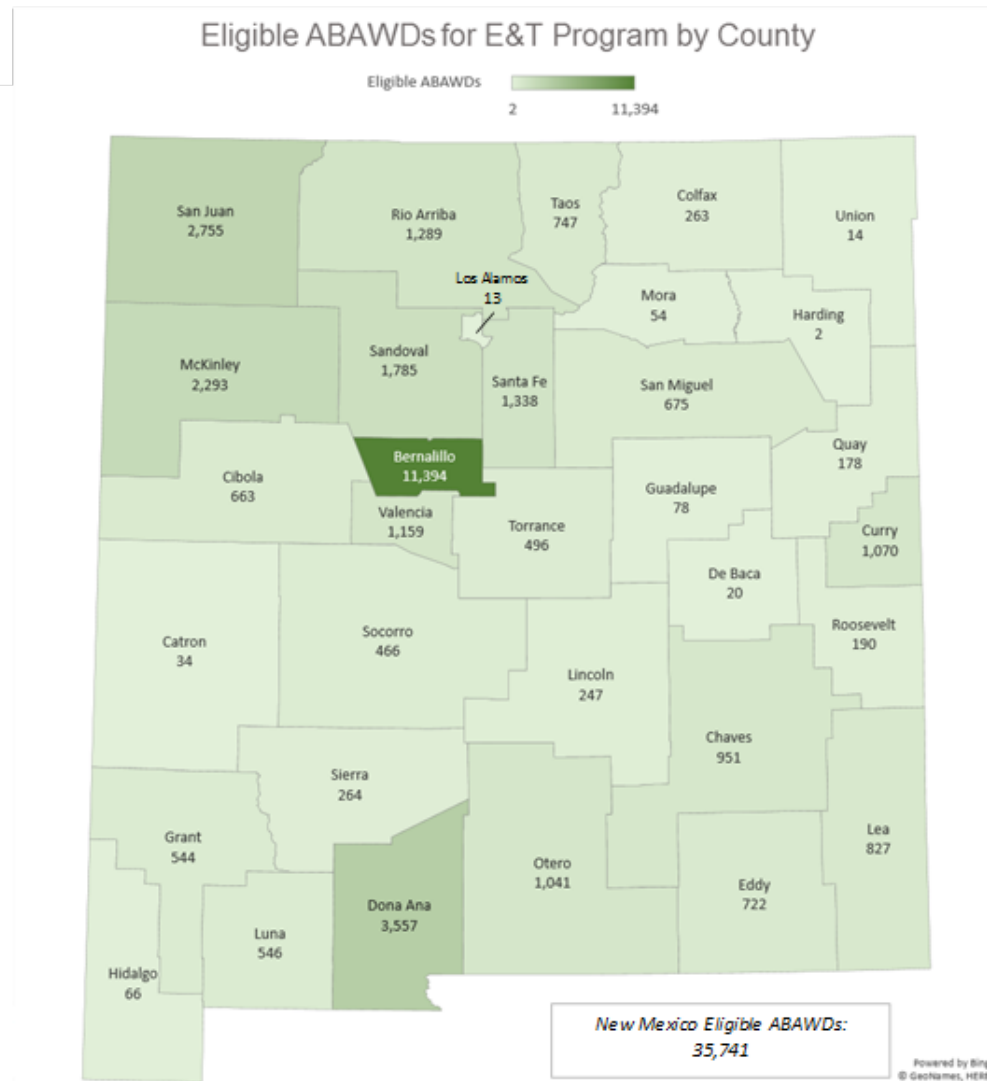
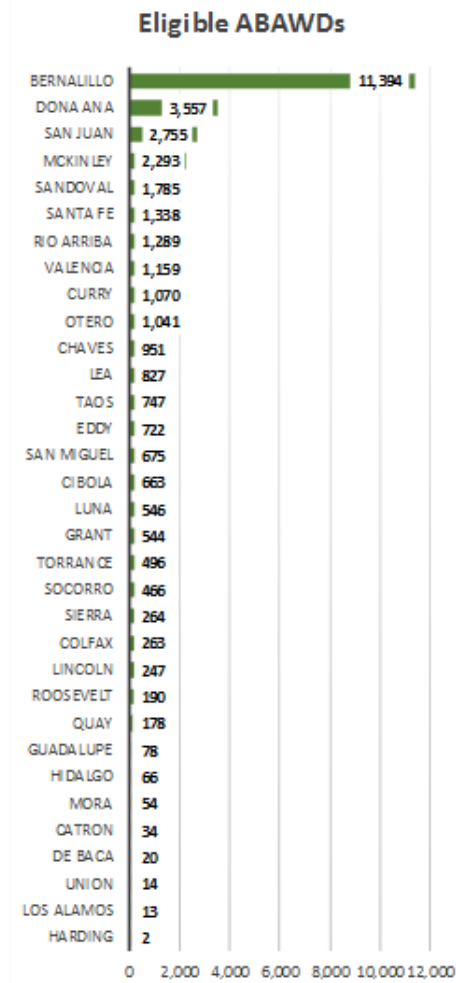
Frequently Asked Questions

Q. How does Employment and Training expansion work?

A. The existing NMW contract would be expanded to provide services to the SNAP ABAWD population. Currently, the NMW contract supports only TANF mandatory recipients to comply with federal work requirements to engage in monthly work activities to continue to receive TANF benefits. Additionally, the employment and training components would be expanded to reimburse employment-related out-of-pocket expenses for participating ABAWD recipients and an additional 500 voluntary SNAP recipients. The contract would be increased to implement the new program case management and data reporting initiatives.



ABAWDs Eligible for E&T Program in
New Mexico as of June 2019



Source: New Mexico Human Services Department, Income Support Division estimate of the number of eligible Able Bodied Adults without Dependents (ABAWD) for Employment and Training (E&T) Program as of June 2019.

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Dec. 6, 2019

Human Services Department

Cash Assistance Transition Bonus Program (TBP)

Cash Assistance Transition Bonus Program (TBP)

The Cash Assistance Transition Bonus Program (TBP) reinstates a program discontinued in 2011. TBP provides an incentive bonus to working families who lose eligibility for Temporary Assistance to Needy Families (TANF) because their earnings are too high. TBP gives these families \$200 per month for up to 18 months to supplement their income and steps-up their benefits to eliminate the “cliff effect” (i.e., abruptly terminating cash assistance when employment income exceeds eligibility requirements.) The goal of this program is to convert the “cliff” into a “ramp” that allows more time to achieve self-sufficiency. As of June 2019, there were 25,311 TANF recipients with an average monthly benefit of \$320 per family. HSD estimates that 3% (759) of TANF recipients would participate in TBP annually. Additionally:

- Families must maintain at least 30 hours per-week in paid employment to be eligible for TBP.
- The maximum bonus allotted per family is \$200 regardless of the number of people employed.
- Assuming all TBP participants finish the program, an estimated 50% (380) will become self-sufficient and not return to TANF even if there are months remaining on their lifetime limit.

Financial benefits to New Mexico

Given modest economic conditions, a \$1,821.6 GF investment annually for about 379 families would yield the following returns:

Spending a Little Gets a Lot: \$11.6 Million Potential Annual Earnings, 146 Jobs Created, \$18 Million Net Benefit, \$10:1 ROI

Cost to State	Savings to State in Reduced Case Management Cost	Potential Annual Earnings of TBP participants	Additional state payroll tax receipts	Overall impact to the economy	Jobs created	Net Benefit	Return on Investment
\$1,821.6	\$543.0	\$11,651.0	\$227.8	\$19,419.4	146	\$18,368.60	\$10 for every \$1 in GF

FY21 Budget Request: \$1,821.6

\$1,821.6 in GF for FY21. There is no federal match for this program. HSD has not provided this program in the past eight years.

Benefits to New Mexico

The TBP incentive has been shown to assist families to become self-sufficient and improves the quality of life for parents and children by increasing family income, resources, and support. There are many hidden costs in self-sufficiency for a family losing TANF. A family may see co-pays for child care and increased costs for subsidized housing. The TBP provides an 18-month “ramp” for these families rather than the cliff from immediate termination of support. It is estimated that TBP would remove about 280 families from TANF rolls permanently each year.

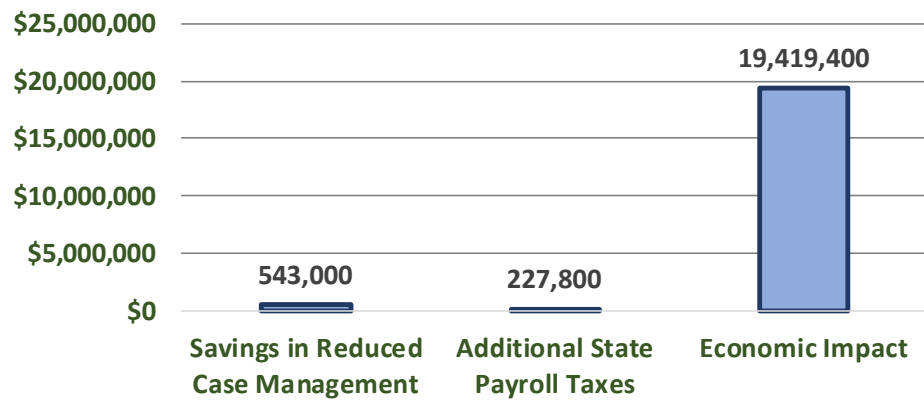
Frequently Asked Questions

Q. What is the positive impact of this program?

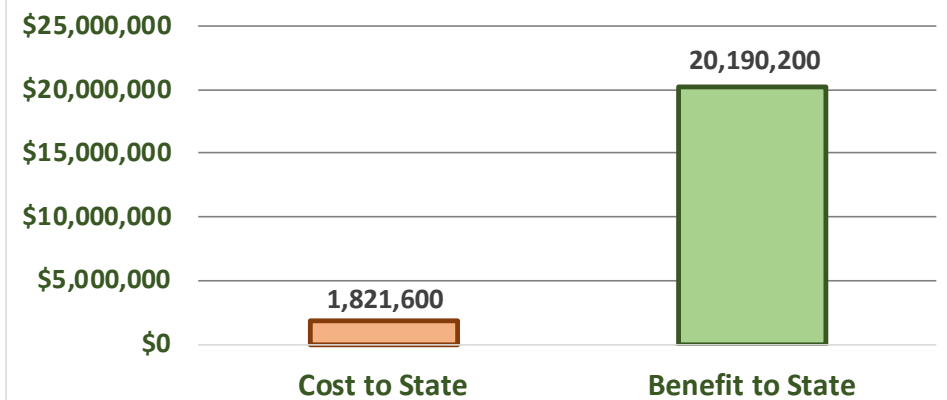
A. This reduces the “cliff effect” and increases the opportunity to become self-sufficient and maintain self-sufficiency. This payment is provided up to 18 months.



Transition Bonus Program Benefit to State



Transition Bonus Program Cost and Benefit to State



For more information or questions about this factsheet contact:

Human Services Department

David R. Scrase, M.D., Cabinet Secretary | 505-316-5422

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Karmela Martinez, Income Support Division Director | 505-660-7452

Dec. 8, 2019

Human Services Department

Supplemental Nutrition Assistance Program (SNAP) Heat and Eat Option

SNAP Heat and Eat Option

NM has the highest Child Food Insecurity Rate in the nation. SNAP Heat and Eat is a new program request from the Children’s Cabinet Hunger Initiative. Enacted in the 2018 US Farm Bill, it allows the state to fund \$21/year/family in energy assistance payments to 39,342 eligible SNAP households in NM (as of June 2019); thereby, increasing the allowable income deduction for each household. This income deduction qualifies households for a larger monthly SNAP benefit (estimated average \$480/year), giving each eligible household an average total of \$501 more to spend for the year.

Prevalence of household-level food insecurity and very low food security, average 2016-18

Rank	State	Average # 2016-18	Food Insecurity (low or very low)	Food Insecurity (very low)
1	NM	836,000	16.8	5.8
2	MS	1,180,000	15.9	6.3
3	LA	1,859,000	15.8	6.8
4	WV	758,000	15.7	5.9
5	OK	1,539,000	15.6	6.1

Financial benefits to New Mexico

Given modest economic conditions, the \$1,485.0 GF investment for 39,342 (about 18% of all SNAP households) would yield a very high return to the people of New Mexico:

More for New Mexico: 501 SNAP benefits per eligible household, \$18,840.0 Federal Funds, 6.5 million additional meals, \$21:1 ROI

Cost to State GF	Federal Funds	H&E Eligible Households	H&E Additional Benefits	H&E Additional Meals	Jobs Created	Impact to State Gross Domestic Product	Net Benefit	Return on Investment
\$1,485.0	\$18,840.2	39,342	\$19,710.3	6,867.8	361	\$32,266.0	\$30,781.0	\$21 for every \$1 in GF FY21 \$38 for every \$1 in GF for subsequent years

FY21 Budget Request: \$2,143.8.

The program did not exist in FY20.

- \$1,485.0 GF – includes \$825.2 SNAP benefits to households and \$658.8 for IT Start-Up
- \$658.8 Federal Funds for IT Start-Up

Benefits to New Mexico

SNAP Heat and Eat will give more than \$19,710.0 each year to qualified New Mexicans to buy food, which we expect will reduce food insecurity and take NM off the top of another list where we prefer not to be number one. Additional SNAP funds will give participants the opportunity to choose a healthier diet, purchase a greater variety and amount of food, and reduce hunger. It would also improve quality of life and reduce medical costs for these families who live in our communities.

Frequently Asked Questions

Q. What will the recipients do with the \$21?

A. The recipient can utilize this as a cash benefit on their EBT card to pay utilities for non-SNAP products or any other items they may need.

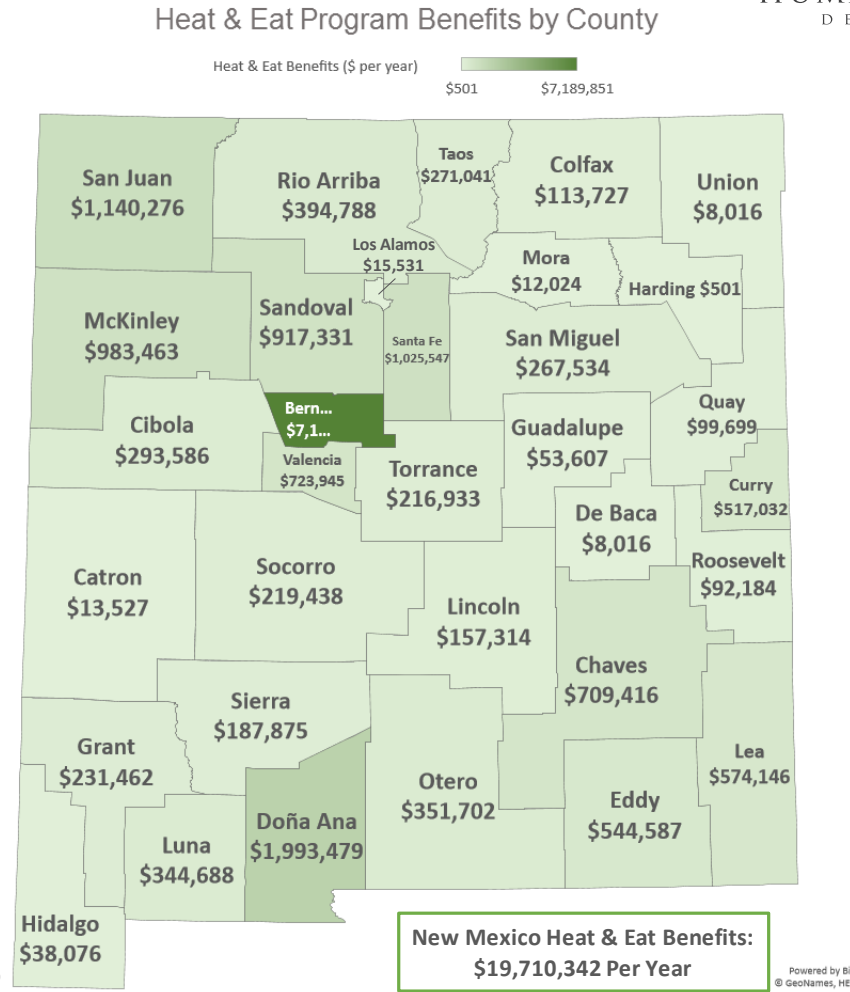
Q. Why \$21?

A. The 2018 Farm Bill states that a utility assistance payment of more than \$20 entitles the household to the Heating and Cooling Standard Utility Deduction.

Heat and eat: \$19.7 M + 6.9 M meals per year



HUMAN SERVICES DEPARTMENT



Source: New Mexico Human Services Department, Income Support Division estimate of the number of eligible households as of June 2019. The Heat & Eat program provides \$21 per year in energy assistance to eligible households which results in an average of \$40 per month in additional Supplemental Nutrition Assistance Program (SNAP) benefits for the household.

For more information or questions about this factsheet contact:

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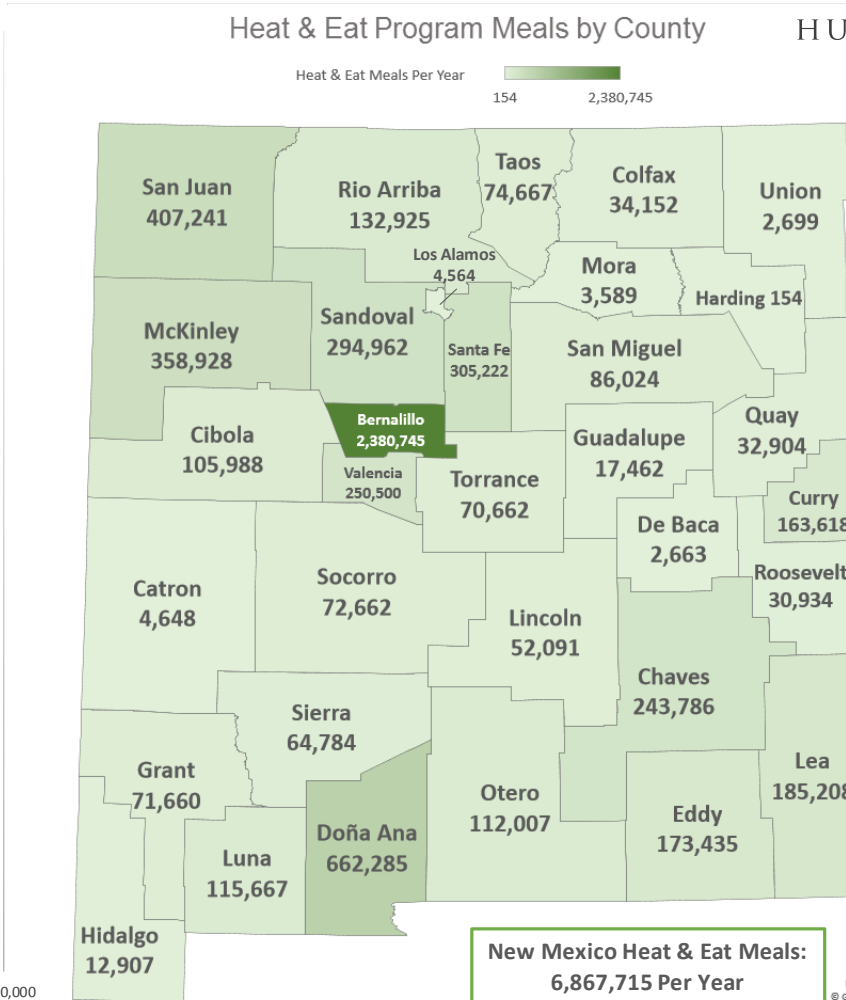
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Heat and eat: \$19.7 M + 6.9 M meals per year



HUMAN SERVICES DEPARTMENT

BERNALILLO	2,380,745
DOÑA ANA	662,285
SAN JUAN	407,241
MCKINLEY	358,928
SANTA FE	305,222
SANDOVAL	294,962
VALENCIA	250,500
CHAVES	243,786
LEA	185,208
EDDY	173,435
CURRY	163,618
RIO ARRIBA	132,925
LUNA	115,667
OTERO	112,007
CIBOLA	105,988
SAN MIGUEL	86,024
TAOS	74,667
SOCORRO	72,662
GRANT	71,660
TORRANCE	70,662
SIERRA	64,784
LINCOLN	52,091
COLFAX	34,152
QUAY	32,904
ROOSEVELT	30,934
GUADALUPE	17,462
HIDALGO	12,907
LOS ALAMOS	4,764
CATRON	4,648
MORA	3,589
UNION	2,699
DE BACA	2,663
HARDING	154



New Mexico Heat & Eat Meals: 6,867,715 Per Year

Source: New Mexico Human Services Department, Income Support Division estimate of the number of eligible households as of June 2019. The Heat & Eat program provides \$21 per year in energy assistance to eligible households which results in an average of \$40 per month in additional Supplemental Nutrition Assistance Program (SNAP) benefits for the household. The calculation of meals used the 2017 county level meal cost estimates for New Mexico by Gundersen, C., A. Dewey, M. Kato, A. Crumbaugh & M. Strayer. Map the Meal Gap 2019: A Report on County and Congressional District Food Insecurity and County Food Cost in the United States in 2017. Feeding America, 2019. New Mexico value used a state-level cost per meal calculation and therefore does not equal the sum of the county meals. Meals calculation assumes total Heat & Eat benefits used on food.

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