FY20 Appropriation Request and

Community Services Block Grant Update

Brent Earnest, Secretary
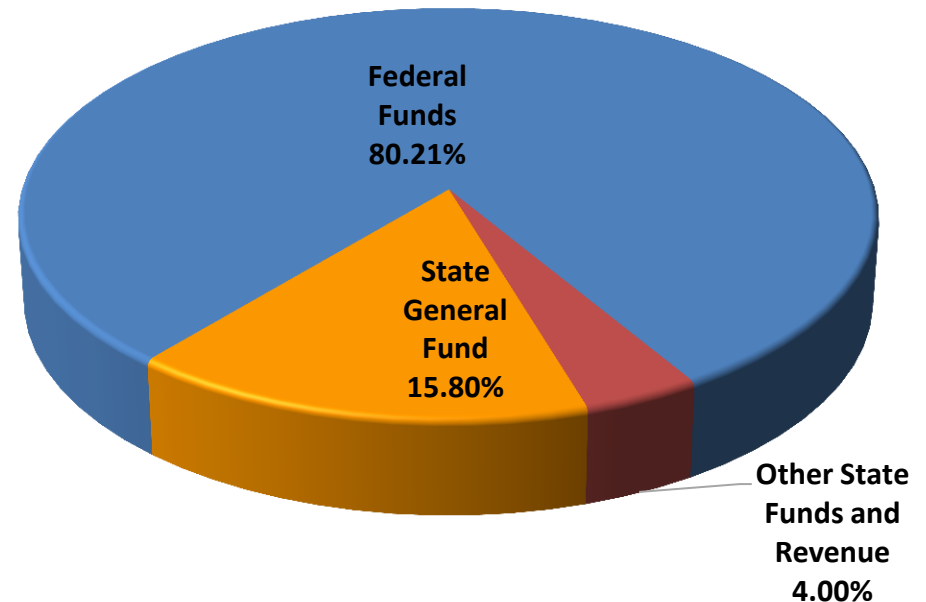
December 10, 2018

Today's Topics

- Medicaid Budget Update from October

- Centennial Care Update

- Income Support Division
  - Community Services Block Grant Program Update
  - TANF re-authorizations

- MMISR Project Update

FY2020 Appropriation Request
(As of September 1)

▸ 3.85% increase overall

▸ $1.128 billion from the general fund (increase of $74.7 million or 7.09%)

▸ $5.729 billion in federal funds (increase of $166.9 million or 3.00%)

▸ $285.5 million in other state funds and other revenue

Total:$7.143 billion

Federal Funds 80.21%

State General Fund 15.80%

Other State Funds and Revenue 4.00%

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Medicaid Budget Update

- For FY18, the Legislature appropriated **$915.6 million**. We are projecting to spend **$912.5 million**, resulting in a general fund surplus of **$3.1 million** in FY 18.

- The FY19 general fund need for Medicaid is projected to be **$941.7 million**. The Legislature appropriated **$933.6 million**, resulting in a projected shortfall of **$8.1 million** in FY 19.

- The FY20 general fund need for Medicaid is projected to be **$997.0 million**.

($ in millions)	FY14 Actual	FY15 Actual**	FY16 Projection**	FY17 Projection*	FY18 Projection*	FY19 Projection*	FY20 Projection*
Total Budget	$4,200.6	$5,104.1	$5,334.9	$5,607.1	$5,645.5	$5,726.7	$5,942.2
General Fund Need	$901.9	$881.4	$895.6	$909.5	$912.5	$941.7	$997.0

*Projection data as of September 2018. The projections include all push forward amounts between SFYs. These figures exclude Medicaid administration.
**FY15 and FY16 expenditures came in lower than originally projected. A reversion for these years occurred in 2018.
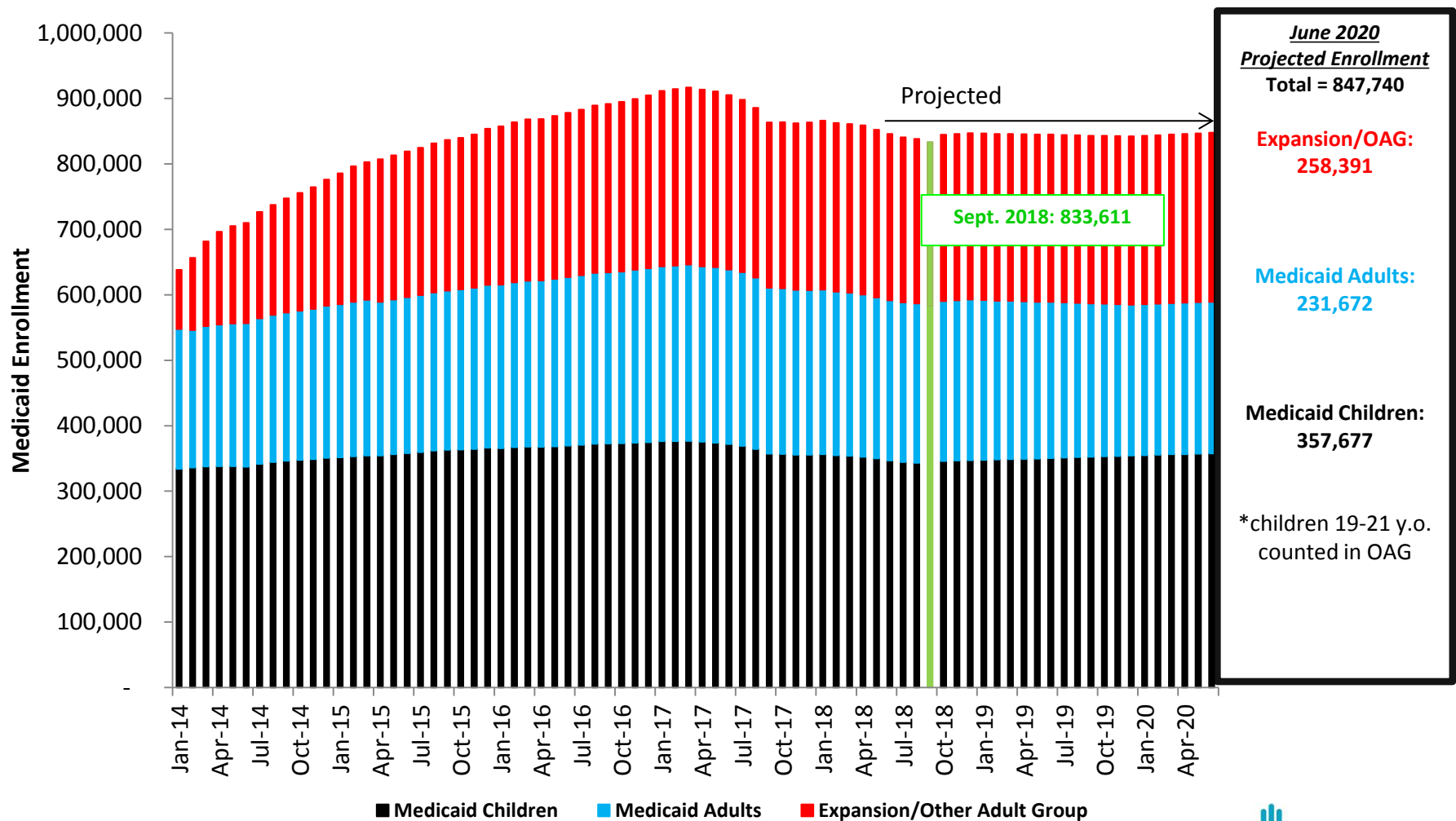
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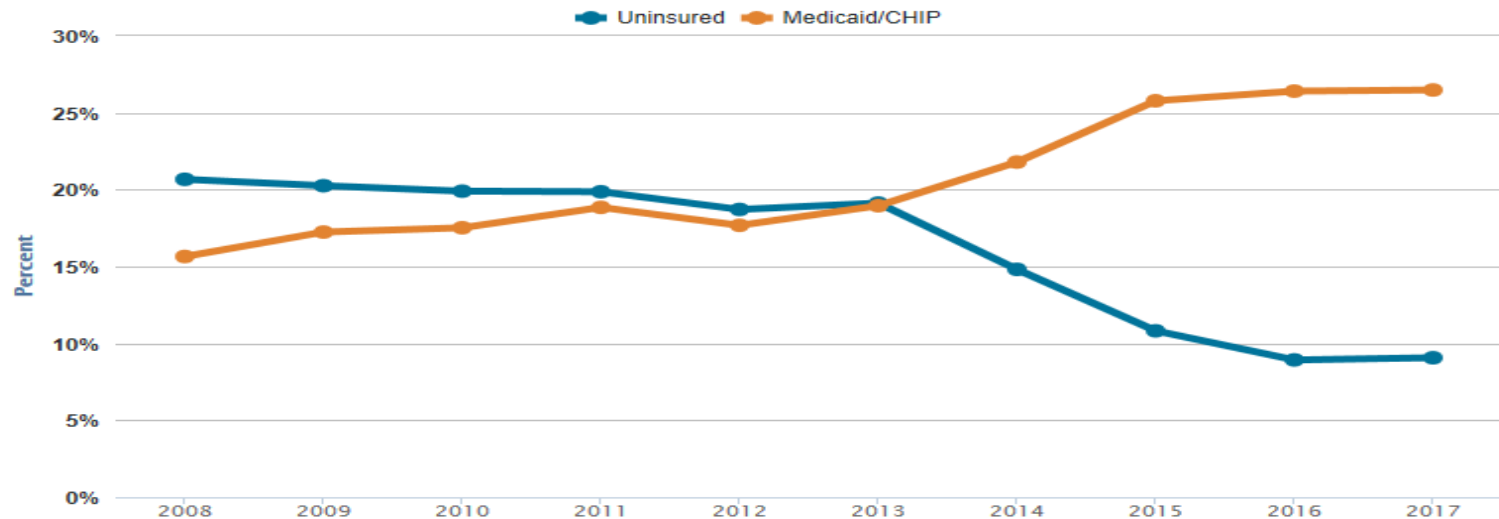
Medicaid: FY 20 Appropriation Request
(as of Oct. 30)

▸ Total Medicaid Program spending in FY 20 is projected to be $5.942 billion.

- $997.0 million from the general fund, a $63.4 million increase. Major changes from FY19 include:

FY 2020 vs. FY 2019 Budget Projection Component Changes	($ in millions)
FY20 base - additional general fund above FY19 appropriation	$8.1
Expansion FMAP (drops to 93% in 2019 and 90% in 2020)	$32.5
CHIP FMAP Reduction (100% to 92.37%)	$6.2
FMAP Change (71.9% to 72.13%)	($12.2)
Centennial Care Enrollment and utilization	$30.4
Centennial Care 2.0 Initiatives	$6.7
Medicare Part A, B & D	$7.4
Fee for Service lines, HIT, UR Contracts	$1.9
Other Revenue changes – Drug Rebates, County Supported , Other	($17.7)
Total	**$63.4**

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New Mexico Medicaid Enrollment

**June 2020
Projected Enrollment**
Total = 847,740

Expansion/OAG:
258,391

Medicaid Adults:
231,672

Medicaid Children:
357,677

*children 19-21 y.o. counted in OAG

Projected

Sept. 2018: 833,611

■ Medicaid Children   ■ Medicaid Adults   ■ Expansion/Other Adult Group

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Medicaid Enrollment Impacts: Health Insurance Coverage

Medicaid Enrollment Impacts: Medical Cost Burden

Percent of people with a high medical cost burden

Income: 0-200% FPG

Timeframe 2013 to 2017

FY20 Medicaid Budget Issues

- Expansion FMAP steps down again on January 1, 2019, to 93% and on January 1, 2020 to 90%.

2018	2019	2020
94%	93%	90%

- Regular FMAP, Enhanced, and CHIP FMAP rates

	FFY 2018	FFY 2019	FFY 2020
FMAP	72.16%	72.26%	72.71%
E-FMAP	80.51%	80.58%	80.90%
CHIP E-FMAP	100%	100%	92.40%*

*Reverts to E-FMAP on October 1, 2020
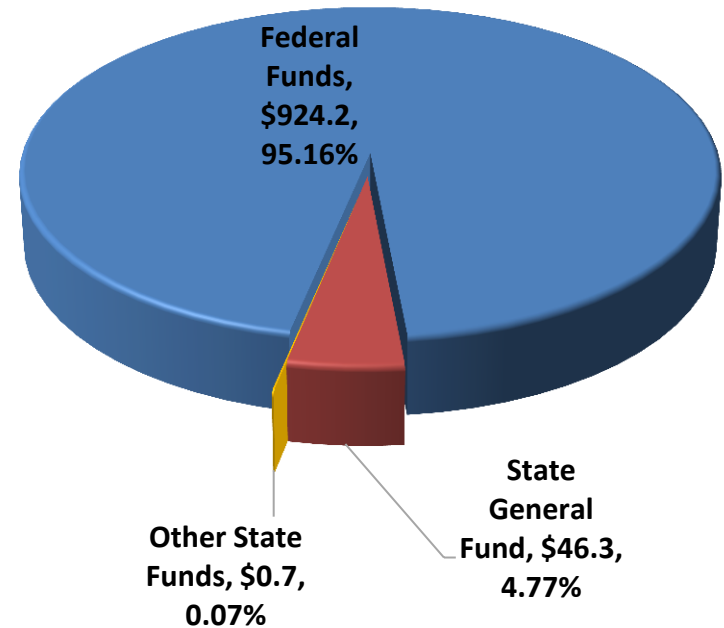
- Re-imposition of the Federal Health Insurance Provider Fee
- Health Insurance Exchange and NM Medical Insurance Pool

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Centennial Care Update

- Centennial Care 2.0 begins January 1, 2019
  - Three Managed Care Organizations (MCOs): Blue Cross/Blue Shield, Presbyterian Health Services, Western Sky Community Care
- Includes new services (among others):
  - Additional substance use disorder treatment services
  - Home-visiting (pilot)
  - Supportive Housing (pilot)
  - Enhanced care coordination (e.g., health homes, wraparound services, JUST health)
- Member Engagement and Personal Responsibility
  - Limits retroactive coverage
  - Restructures co-pays to minimize unnecessary services (March 1)
  - Introduces premiums for higher income adults (July 1)
  - Expands use of Centennial Rewards Program
- Resets the supplemental hospital payments in the Safety Net Care Pool
  - Phases down UC payments; requires a new method for measuring uncompensated care
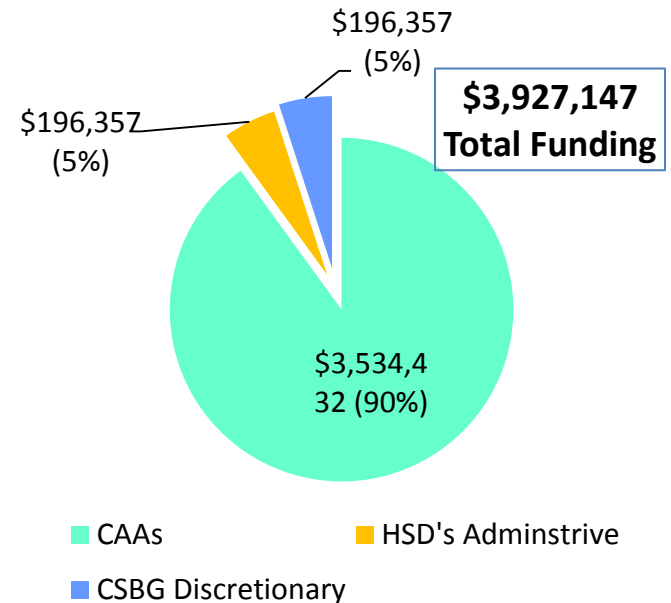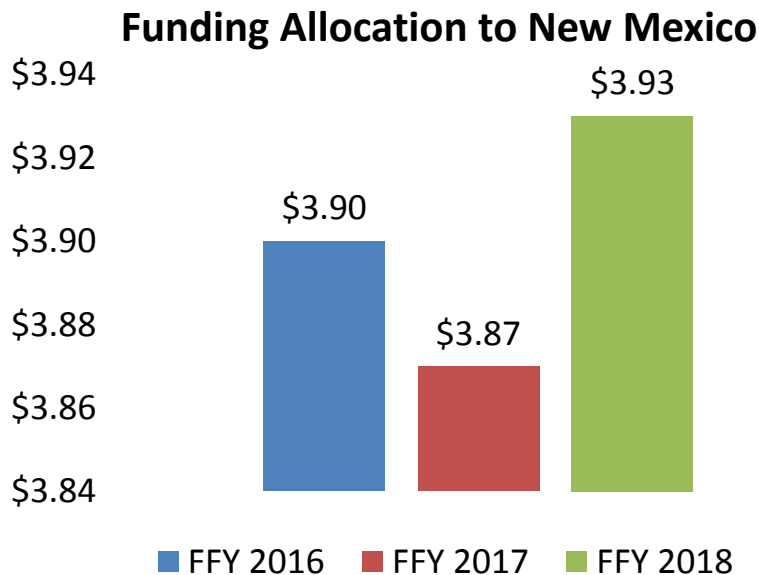
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Income Support Division

▸ **$957.1 million overall budget**

▸ **$2.1 million increase from the general fund :**

  ◦ $502 thousand to maintain Senior SNAP Supplement; projected caseload of 18,400

  ◦ $1.2 million for eligibility system and processing services (mailing, call center services, training, income verification services)

  ◦ $375 thousand increase for food banks

▸ **SNAP Caseload**

  ◦ Slight growth projected, from 224,027 thousand cases to 225,282.

  ◦ $660 million of SNAP benefits

  ◦ ABAWD (Able Bodied Adults without Dependents) time limits

Federal Funds, $924.2, 95.16%

State General Fund, $46.3, 4.77%

Other State Funds, $0.7, 0.07%

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Community Services Block Grant (CSBG)

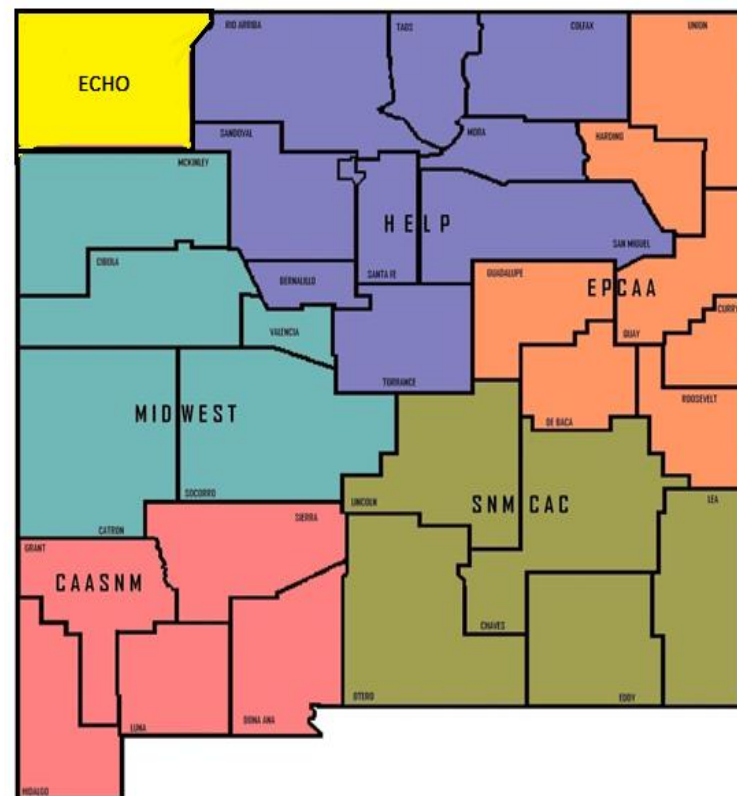- A Block Grant from the US Health and Human Services Department
- Provides a flexible funding source to local communities through a network of community action agencies (CAA) for the reduction of poverty

Funding Allocation to New Mexico

FFY 2016: $3.90
FFY 2017: $3.87
FFY 2018: $3.93

$196,357 (5%)
$196,357 (5%)
$3,534,432 (90%)

$3,927,147 Total Funding

- CAAs
- HSD's Adminstrive
- CSBG Discretionary

Community Action Agencies (CAAs)

In NM, six CAAs were designated as eligible entities on September 30, 1981 by the Federal Economic Opportunity Act of 1964

1. Community Action Agency of Southern NM (CAASNM)

2. Eastern Plains Community Action Agency (EPCAA)

3. Economic Council Helping Others, Inc. (ECHO)

4. HELP New Mexico (HELP)

5. Mid-West NM Community Action Program (MIDWEST)

6. Southeast NM Community Action Corp. (SNMCAC)

Services Provided in NM
(Federally Approved, FFY17)

- $727,381 -- emergency services
- $743,282 -- nutrition initiatives
- $246,251 -- income management services
- $357,594 -- linkages to community resources
- $259,959 -- employment initiatives
- $425,355 -- education initiatives
- $223,819 -- housing initiatives
- $205,080 -- health initiatives
- $181,169 -- self-sufficiency initiatives

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NM CSBG Demographics (FFY 2017)

- 78% of NM families served were in poverty
  (0-100% of the federal income guideline)

- 44% of NM families served were in severe poverty (0-50% of the federal income guideline)

- Served by the CAAs during FFY 2017:

  - 102,328 individuals
  - 30,637 families
  - 19,252 children
  - 17,945 seniors
  - 4,514 people with disabilities
  - 1,721 people who lacked health insurance

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NM CSBG Performance Outcomes (FFY 2017)

▶ **Food Services**

  3.7 million pounds of food were distributed; 34,522 individuals received food assistance

▶ **Volunteers**

  435,910 volunteer hours were donated to the CAAs by 6,153 individuals

▶ **Income Management Services**

  2,964 participants received free tax preparation assistance; 44 participants increased their savings through the Individual Development Account (IDA) program.

▶ **Economic Asset Enhancement and Utilization**

  2,157 participants received telephone lifeline and/or energy discounts; saving $344,577.

▶ **Utility and Weatherization Services**

  3,754 individuals received utility assistance and/or energy discounts and 25 housing units were improved through weatherization or rehabilitation assistance

▶ **Employment services**

   2,438 participants obtained employment related services (e.g., tools, licenses, jobs)

▶ **Education and Child/Youth Related Services**

  8,694 children participated in pre-school activities to develop school readiness skills

▶ **Housing Assistance**

  1,629 individuals received emergency rental/mortgage assistance

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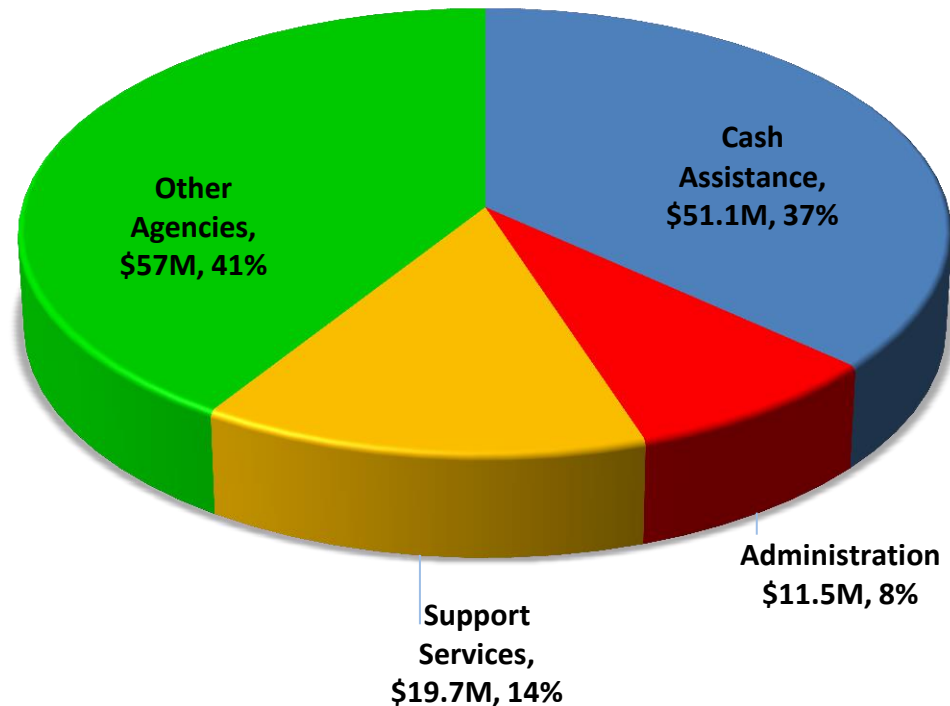# CSBG State Plan and CAAs

CSBG State Plan

October 1, 2017 – Sept. 30, 2019

http://www.hsd.state.nm.us/uploads/FileLinks/6331671b99b34cafba9bd8cb327bc208/Model_State_Plan_CSBG__10_01_2017_Final_submitted.pdf

CSBG Program and CAAs in New Mexico

https://nmcap.wordpress.com/community-action-agencies/

Temporary Assistance for Needy Families – (TANF)

▸ FY20 TANF appropriation request of $139.5 million:

- TANF block grant of $109.9 million and $29.5 million of current carry over balances.
- Cash assistance, flat with FY19 OpBud.
  - Includes restoring (increasing) monthly cash assistance grant by 7.5%
- Maintains support of programs at other agencies
- Continues support services programs, such as attaining high school equivalency and employment programs.

Other Agencies, $57M, 41%

Cash Assistance, $51.1M, 37%

Administration $11.5M, 8%

Support Services, $19.7M, 14%

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TANF Reauthorization

- Congress is considering the TANF reauthorization bill
  - Maintains current funding for three years
- Links work participation requirement more directly to employment outcomes (job attainment and increased earnings)
- Includes more engagement activities, including substance used disorder treatment and subsidized employment
- Authorizes 10 demonstration projects related to employment and improved earnings
- Eliminates the higher work participation standard for two parent households
- Restricts state's use of the caseload reduction credit
- Requires new reporting on use of TANF dollars for non-TANF eligible families (e.g., pre-K, child care, home-visiting)

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Temporary Assistance for Needy Families – (TANF)

Program ($ in millions)	FY19 Op Bud			FY20 Request		
	GF	FF	Total	GF	FF	Total
General Fund in HSD for TANF	0.09	-	0.09	0.09	-	0.09
Unspent Balances from prior periods	-	64.8	64.8	-	35.3	35.3
TANF Block Grant	-	109.9	109.9	-	109.9	109.9
TANF Contingnecy	-	-	-	-	-	-
TOTAL REVENUE	0.09	174.7	174.79	0.09	145.2	145.29
Admin Total	-	11.5	11.5	-	11.5	11.5
Cash Assistance	0.09	51.0	51.1	0.09	51.0	51.1
Support Services		19.7	19.7		19.7	19.7
Other Agencies	-	57.2	57.2	-	57.2	57.2
TOTAL	0.09	139.4	139.5	0.09	139.4	139.5
Calculated Carryrover		35.3			5.8	

▸ Admin Includes: Income Support Administration and Program Support Administration
▸ Cash Assistance Includes: Cash Assistance, Clothing Allowance, Diversion Payments, Wage Subsidy and State Funded Legal Aliens
▸ Support Services Include: NM Works Program, Transportation, Career Links, High School Equivalency program, Vocational Training Program and Employment Related Costs
▸ Other Agencies Include: CYFD Pre K, CYFD Child Care, CYFD Home Visiting, CYFD Supportive Housing and PED Pre K

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MMIS Replacement Update

Module	Main Objective	Description of what is included	Status
IV&V *(not a MMISR technical module)*	**Oversees project performance & operations**	Reports to CMS about project performance; Independent Verification & Validation service (incl. document review, risk assessment, mitigation plan)	Contracted *(August 2016, CSG)*
System Integrator	**Facilitates communication & data transfer across modules**	Infrastructure for Connectivity, Interoperability, Standards & Security; Enterprise Service Bus, Master Indices, Identity Management, & Legacy Data Conversion; Project Integration Management for all other modules; Data definition & Interface standards	Contracted *(March 2018, Turning Point GS)*
Data Services	**Consolidates data warehouses & analytics across the department**	Data Tools & Trainings; Analytics; Reporting; Business Intelligence; Enterprise Data Warehouse	Contracted *(October 2018, IBM)*
Quality Assurance	**Coordinates fraud & abuse information across the department**	Program integrity; Third-Party Liability (TPL) Detection, Avoidance & Recovery; Fraud Detection & Reporting Audit & Hearing Coordination; Quality Reporting, RAC	In Contract Negotiations
Benefit Management Services	**Centralizes all care, case, & plan management information;**	Case/ Care management; client & provider management; Utilization management/review; Pharmacy benefits management; Benefit Plan management	Pending Release
Financial Services	**Centralizes all financial & reporting tools**	Claims processing; payments; financial activities (including account payable, account receivable, financial reporting, budgeting)	Sent to CMS
Unified Portal and Consolidated Customer Service Center	**Serves as a one-stop-shop for customers & staff**	Unified Portal – one stop shop across all programs; Consolidated Customer Service Center – Integrated contact center serving all HSD programs; Both known as the Unified Public Interface	RFP released for Customer Service Center[1]

1 Unified Portal in design phase

Questions?