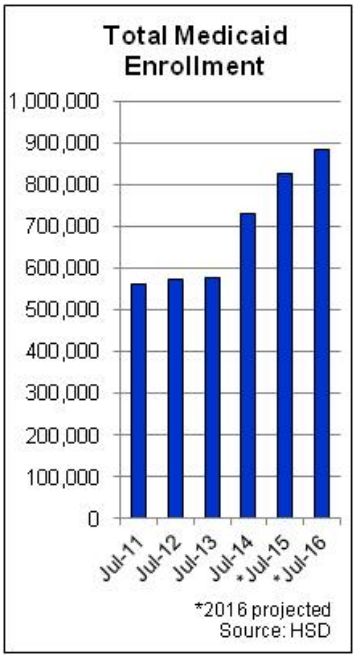
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2016

Human Services Department



This quarter was particularly difficult with the latest court hearings relating to how the department processes benefits and testimony alleging that SNAP benefits were wrongly denied. In early July the court is expected to make a decision about whether the department should be placed in a "receivership," or if an outside entity is needed to bring the department in line with federal requirements. Nevertheless, enrollment in SNAP and Medicaid are at all-time highs and HSD continues to improve on the timely processing of SNAP applications, exceeding the 95 percent federal timeliness standard. Ongoing concerns remain regarding the integrity of the state's behavioral health network and the difficult task of slowing the growth of Medicaid spending without compromising benefits or access to care.

Medical Assistance Division

Near-term Medicaid budget concerns subsided somewhat when in May the department reported a $38.9 million reduction in projected state funds need for FY17 due to initial cost containment measures and other changes. The changes reduced projected FY17 shortfall to $24.4 million, largely in line with what the Legislature appropriated. Nevertheless, more can be done to control costs and leverage Medicaid dollars to improve outcomes and reduce pressure on the state's general fund revenues.

New Mexico performance for infants who had six or more well-child visits and newborns whose mothers received a prenatal care visit in the first trimester (measures 1 and 9 below) is quite low and the reasons complex. One promising approach could be leveraging Medicaid for home visiting. The American Academy of Pediatrics points out a growing body of research showing the effectiveness of home-visitation programs for increasing the use of health and other community resources including prenatal visits, well-child visits, family planning, programs for women, infants, and children, and immunizations.

Medicaid financing for home visiting is an option that has been used by at least 10 states in recent years; this includes states that use Medicaid to fund at least one home visiting program or model and states that extensively use managed care arrangements.

The federal Centers for Medicaid and Medicare Services and Health Resources and Services Administration issued a Joint Informational Bulletin on Maternal, Infant, and Child Health Home Visiting affirming that current law permits states to use Medicaid funding to pay for core components of home visiting services furnished to Medicaid beneficiaries.

In May 2016, Kay Johnson of Johnson Group Consulting, Inc., nationally recognized for work in maternal and child health policy, encouraged lawmakers to pursue the use of Medicaid for home visiting. Ms. Johnson's testimony included several key points: the state is investing millions in general revenue into the home visiting system, much of which could qualify for 70 percent Medicaid federal match; no state using Medicaid financing for home visiting has experienced "run-away" costs or unexpectedly large budget impact; New Mexico's Medicaid managed care program offers opportunities to integrate home visiting into an existing structure and defined provider networks; and New Mexico has a network of quality providers that offer different program approaches to serve families with varied needs.

Additionally, other concerns remain about the program, including how recently proposed provider rate reductions will impact performance and member access to services. While in some cases New Mexico is in line with or even better than national averages, for nearly every measure the program is well below its established targets.

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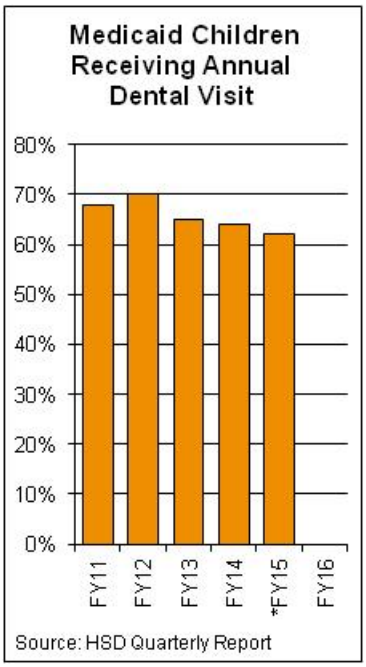

*HEDIS data reported on rolling calendar year. FY15 includes the last three quarters of 2015 and the first quarter of 2016.

Medical Assistance Division		2014 Nat'l Avg.	FY14 * Actual	FY15 Actual	FY16 Target	FY16 Q3**	Rating
Budget: $5,098,045.5	FTE: 191.5						
1	Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during the first fifteen months	59%	47%	39%	70%	42%	R
2	Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year	89%	88%	73%	92%	71%	R
3	Children ages two to twenty-one enrolled in Medicaid managed care who had at least one dental visit during the measurement year	49%	64%	60%	70%	59%	R
4	Children in managed care with persistent asthma who were appropriately prescribed medication	91%	91%	88%	94%	89%	Y
5	Hospital readmissions for children ages two to seventeen within thirty days of discharge	Not avail	6%	6%	10%	7%	G
6	Hospital readmissions for adults eighteen and over, within thirty days of discharge	Not avail	11%	11%	9%	12%	R
7	Emergency room visits per one thousand Medicaid member months	61†	n/a	50	40	46	Y
8	Individuals in Medicaid managed care ages eighteen through seventy-five with diabetes (type 1 or type 2) who had a HbA1c test during the measurement year	86%	85%	58%	86%	58%	R
9	Newborns with Medicaid coverage whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization	82%	73%	18%	85%	19%	R
Program Rating			Y	R			R

*Final data audited by National Committee for Quality Assurance (NCQA) using administrative claims data and medical records which typically results in improved final results; audited 2015 HEDIS results will be available in July 2016.
**HSD uses a rolling average; the most recent data available includes the first three quarters of FY15 and the first quarter of FY16..
†U.S. State & local government, Kaiser Family Foundation.

Income Support Division

Measures ten and eleven below reflect SNAP application timeliness for normal applications (30 days) and expedited applications (seven days). Prior to the implementation of the Affordable Care Act and HSD's new IT system ASPEN, the department received federal timeliness performance awards and bonuses several years in a row (FFY10 – FFY13). However, while the department continues to report timeliness above the federal standard of 95 percent, the validity of its timeliness data is being contested in federal court. Court rulings and results from internal and external investigations may be available by the FY16 Q4 reporting period.

HSD reports increased monitoring of SL Start, the contractor responsible for administering employment programs through New Mexico Works (NMW). New engagement teams with dedicated employees will follow-up with clients with daily

The SNAP caseload in March 2016 was 249,211, a 9.9 percent increase from one year ago.

The TANF caseload was 12,051 in March 2016 a decrease of 8.7 percent from March 2015.

phone calls, letters, home and site visits as appropriate. In addition, the contractor provided training to its employees on working with individuals with multiple barriers to employment or "hard to employ" individuals.

Although there is a 0.1 percent increase in the percentage of individuals who become newly employed during FY16 Q1 (see measure twelve), overall, the work participation rate has decreased from FY14 Q1 to FY15 Q1. HSD expects to see improvement in future quarters resulting from the expansion of Career Links and the Wage Subsidy program approved in the last legislative session.

HSD submitted a number of organizational objectives and strategies to address ongoing concerns with application and eligibility programs within the Income Support Division, noting the department intends to implement the items regardless of any court order or court actions. See textbox to the left for examples of specific initiatives. Measures ten and eleven below are currently yellow because while HSD missed its internal targets, it has exceeded the federal standard of 95 percent.

IMPROVEMENT PLANS

SNAP Processing in HSD Income Support Division

HSD is consulting with outside experts on issues such as immigration, notices, and training.

The department will conduct ethics training for all employees to ensure policies are followed throughout the department and the highest standards of ethics, honesty and integrity are observed in the workplace.

HSD plans to secure an "objective reviewer" to determine the remaining outstanding issues from previous court orders that are still outstanding and to simplify the format of the joint status report.

HSD will initiate a request for proposal for an outside consulting firm(s) to assist the department in compliance with court orders and federal law, operational procedures targeting application processing, and training, specifically to create a desk reference. A contract should be awarded in six to nine months; the firm's work could be implemented within 18 months.

Finally, HSD plans implementation of procedural changes regarding the issuance of policies and procedures related to Medicaid or SNAP.

Income Support Division		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: $910,669.6	FTE: 1,175						
10	Regular supplemental nutrition assistance program cases meeting the federally required measure of timeliness within 30 days	95.4%	99%	95.3%	95.6%	95.3%	Y
11	Expedited supplemental nutrition assistance program cases meeting federally required measure of timeliness within seven days.	95.5%	99%	96.9%	97.3%	97.8	Y
12	Temporary assistance for needy families clients who obtain a job during the fiscal year (**Most recent data available from Dept of Workforce Solutions)**	58.3%	52%	38.9%			R
13	Children eligible for supplemental nutritional assistance program participating in the program at 130 percent of poverty level	90.3%	88%	91.7%	92.3%	92.4%	G
14	Temporary assistance for needy families two-parent recipients meeting federally-required work requirements **(Reported in federal fiscal year)**	38.6%	60%	51.1%	55.8%	Nat'l Avg. 32.9%	G
15	Temporary assistance for needy families recipients (all families) meeting federally-required work requirements **(Reported in federal fiscal year)**	36.3%	55%	45.6%	48.6%	Nat'l Avg. 33.5%	Y
Program Rating		G					Y

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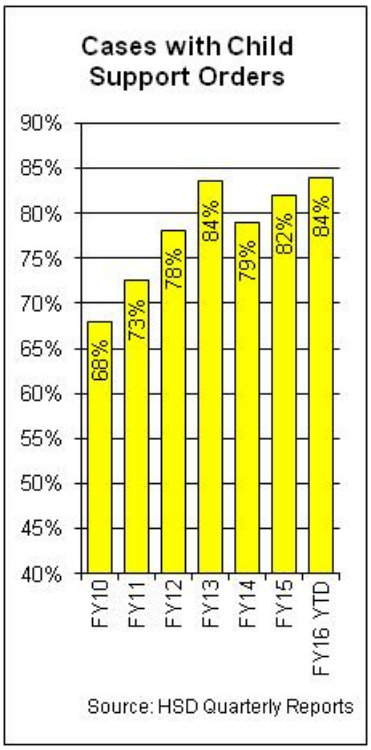
Child Support Enforcement Division

The Child Support Enforcement Division can help establish paternity, child support obligations, collect child support and enforce child support court orders. To ensure compliance with child support orders, HSD can employ wage withholding, income tax refund intercepts, driver and professional license suspension, game and fish license suspension and passport denials.

CSED has been successful in meeting total child support enforcement collection targets largely due to automated wage garnishments. Remaining measures are lagging somewhat in the third quarter except for cases with support orders which is on track to meet the 85 percent target.

Child Support Enforcement Division		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: $33,179.5	FTE: 383						
16	Children with paternity acknowledged or adjudicated **(reported in federal fiscal year)**	98.2%	100%	90.3%	93.2%		Y
17	Total child support enforcement collections, in millions	$140	$140	$32.9	$31.9	$38.6	G
18	Child support owed that is collected	57.6%	62%	56.6%	57%	56.3%	Y
19	Cases with support orders	82.5%	85%	84.1%	84.2%	84.3%	G
Program Rating		G					G



Program Support

Program support measures are largely output oriented, focusing on timeliness of invoice payments and compliance with federal grant and reporting requirements. However, one measure, 22 below, addresses administrative cost effectiveness by calculating the rate of administrative costs to recoup benefit overpayments to clients.

Program Support		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: $56,596.5	FTE: 262						
20	Federal grant reimbursements completed that minimize the use of state cash reserves in accordance with established cash management plans	100%	100%	98%	100%	100%	G
21	Intentional violations in the supplemental nutrition assistance program investigated by the office of inspector general completed and referred for an administrative disqualification hearing within ninety days from date of assignment.	86%	90%	90%	95%	100%	G
22	Rate of administrative cost used to collect total claims in all programs administered by the Restitution Services Bureau.	17%	12%	13%	13%	15%	R
Program Rating		Y					G