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ISSUES FOR HEARING

Prenatal to 3 - Lifelong Health and Brain Development Impacts

- Healthy development from prenatal to age 3 is linked to more successful school outcomes, adults who are productive contributors to the economy, and individuals who lead healthier, longer lives. Developmental and biological interferences during the prenatal and earliest years of life can result in weakened physiology and altered brain architecture.
- A U.S. Department of Health and Human Services study found that the more risk factors children from birth to 3 years old experienced, the greater their chance of experiencing cognitive, emotional, social, and physical development problems.
- The LFC prepared, *New Mexico's Children, Risk Factors Impacting Health and Social Development*, shows performance measures that gauge risk factors impacting health and social development. It highlights risk indicators such as poverty, lack of health insurance, lack of prenatal care in first trimester, teen pregnancy rates, infant mortality, immunization rates, number of well-baby visits, low birth weight rates, school readiness, high quality childcare, child maltreatment rates, and juvenile justice domestic violence statistics. (*Appendix A*)
- Numerous early childhood prevention and intervention programs exist in New Mexico to reduce health and developmental risks, but opportunities exist to improve performance and leverage additional federal funding, particularly using Medicaid funding for home visiting.
- Medicaid plays a major role in the health outcomes for many New Mexico children. In 2010, Medicaid covered 19,863 births, or roughly 71 percent of the 27,795 births in New Mexico. Medicaid offers a comprehensive set of medical benefits covering prenatal, infant, and childhood healthcare needs including well-child visits based on the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT) standards.
- Key services offered at the Department of Health include child vaccinations, the Women, Infants and Children (WIC) supplemental food program, children's medical services for medically-at-risk kids, the Families First home visiting program and the Family, Infant and Toddler (FIT) program, which provides early intervention services for children from birth to age 3 with, or at-risk for, developmental delays and disabilities.
- Key CYFD programs include home visiting, childcare assistance, and family nutrition.

- Home visiting programs can play a major role in improving early childhood outcomes. The services can lead to improved maternal and child health outcomes, positive parenting, safe homes, school readiness, economic self-sufficiency, connections to community services, and reductions in child maltreatment and juvenile delinquency.
- In FY11, CYFD's home visiting program provided services to approximately 592 infants. With over 19,000 newborns on Medicaid it is clear there is an extremely high level of unmet need.
- HSD reported FY11 expenditures from managed care organizations (MCOs) for case management services (including a home visiting component) of \$2.9 million. Unfortunately, HSD does not mandate a standard risk assessment to identify candidates for home visiting, nor require the MCOs to offer a standard early childhood home visiting benefit. Case management hours are very limited—the MCO's only reported an average of 4.25 hours per member.
- HSD reports over \$461 million in FY11 Medicaid expenditures for pre-natal care and medical services for birth to age 3. Over 105 thousand children from birth to age 3 were served in FY11 and over 34 thousand pregnant women. According to MCO data case management-based services were only offered to about 5 percent of this group.
- As will be discussed by Nicole Barcliff from Pew, a number of states are working with the federal government to expand Medicaid supported home visiting programs. Some states are bundling home visiting as part of EPSDT services or offering home visiting as part of an enhanced prenatal benefit package. Of note, effective January 1, 2013, states will receive a 1 percent increased FMAP for some preventative services included in their state plans. To access this increased funding, PEW notes that states will need to work with the federal government to:
 - Make the case for evidence-based home visiting programs as a preventative service;
 - Define lists of services typically delivered through home visiting as a preventative service; and
 - Define a single bundle of home visiting services for new mothers and children as a preventative service
- The HSD has an opportunity to improve the quality of Medicaid funded home visiting programs by standardizing risk assessments for potential clients and establishing home visiting program standards and requirements across all MCO's. The HSD should seek federal approval for Medicaid financed evidenced-based home visiting models that are intensive, targeted to children at-risk of abuse, neglect or developmental delays, and contain a medical component. These models have a higher per child cost but also yield the highest return on investment.

LFC HEARING BRIEF

AGENCY: UNM School of Medicine, Department of Pediatrics; Department of Health; Human Services Department

DATE: June 15, 2012

PURPOSE OF HEARING: In order to remedy the state's achievement, economic, and health disparities, families with the greatest need require access to quality prenatal and early childhood services. Access to a coordinated continuum of quality prenatal and early childhood services that are embedded in a quality early childhood system that promotes maternal, infant, and early childhood health, safety, development, and strong parent-child relationships will improve the lifelong health and brain development of New Mexico's children resulting in fewer achievement, economic and health disparities.

WITNESS: Dr. Andrew Hsi, M.D., UNM School of Medicine, Department of Pediatrics; Michael Landen, Acting Director, Public Health Program, Department of Health; Nicole Barcliff, Senior Associate, Government Relations, Pew Center on the States; Julie Weinberg, Director, Medical Assistance Division, Human Services Department; LFC Staff Aledo-Sandoval, Esquibel, Geisler

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EXPECTED OUTCOME: By planning for the availability of a comprehensive continuum of prenatal and early childhood services and coordinating this system, it is possible to overcome achievement, health and economic disparities. This hearing provides an opportunity to look across systems and indicators and strategically assess need given the services currently provided to New Mexicans.

PRENATAL TO THREE – LIFELONG HEALTH AND BRAIN DEVELOPMENT IMPACTS

Brain Development. Neuroscience research indicates that during early childhood there is rapid development of the brain and other biological systems in the body. The prenatal to age 3 time period has lifelong impacts on learning, behavior, and health. According to a Harvard University's Center on the Developing Child publication, "longitudinal studies have demonstrated that lung disease in adulthood is commonly associated with a history of respiratory illness in childhood, particularly among premature infants and young children exposed to tobacco smoke. Chronic, life-threatening cardiovascular disease in adulthood can also be linked to nutritional deficits and growth impairments occurring as early as the prenatal period."

Early childhood development is best achieved in safe and supportive environments and in stable and responsive relationships. Healthy development from prenatal to age 3 is linked to more successful school outcomes, adults who are productive contributors to the economy, and individuals who lead healthier, longer lives. Developmental and biological interferences during the prenatal and earliest years of life can result in weakened physiology and altered brain architecture. Disruptions in a developing biological system can lead to a wide range of physical and mental health problems into the adult years.

Physical environments during early childhood have a significant impact on a child's cognitive and physical ability to grow. Negative environmental factors and adverse experiences cause disruptions to the body's stress response system. The brain's ability to adjust to adverse experiences decreases with age. Toxic stress defined as the strong, frequent or prolonged activation of the body's stress response system. Exposure to toxic stress during early childhood can alter the developing brain circuits and hormonal systems, making them respond to lower thresholds and become overly reactive, thus leading to an increased risk of stress related physical, behavioral and mental illnesses.

A U.S. Department of Health and Human Services study found that the more risk factors children from birth to 3 years old experienced, the greater their chance of experiencing cognitive, emotional, social, and physical development problems. Risk factors include: child maltreatment, caregiver mental health problem, minority status, low caregiver education, single caregiver, biomedical risk condition, poverty, teen-aged caregiver, domestic violence, four or more children in the home, and caregiver substance abuse.

HOW DO NEW MEXICO'S CHILDREN FARE?

New Mexico is characterized by its high poverty levels (17 percent overall, 24 percent of children living below the federal poverty level);

Preliminary DOH 2010 birth data shows 27,795 births broken out as follows:

Northwest (Region 1)	6,120
Northeast (Region 2)	3,261
ABQ area (Region 3)	8,589
Southeast (Region 4)	4,134
Southwest (Region 5)	5,689

According to the March of Dimes, in an average week in New Mexico: 580 babies are born, 87 babies are born to teen mothers (ages 15-19), 71 babies are born preterm, 49 babies are born low birthweight, and four babies die before their first birthday.

Preterm babies are at a higher risk for respiratory distress syndrome (RSS), intraventricular hemorrhage (IVH), jaundice, chronic lung disease, anemia and infections.

Medical costs in the U.S. associated with preterm births total more than \$20 billion.

Nationally, about 12 percent of babies are born before 37 weeks of gestation.

uninsured individuals (26 percent); and was ranked 43rd in the nation in child well-being.¹ This ranking is based on multiple key indicators: low birthweight babies, infant mortality, child deaths, teen deaths, teen births, teens who are high school dropouts, teens not attending school and not working, children living in families where no parent has full-time year-round employment, children in poverty, and children in single parent families. New Mexico ranks among the bottom ten states on six of these ten key indicators of child well-being: teen birth rate (49th among the states), teen dropouts (47th), child death rate (42nd), teen death rate (48th), child poverty rate (47th), and children in single-parent families (48th).

Legislative Finance Committee staff compiled a children's status report card, *Appendix A, New Mexico's Children, Risk Factors Impacting Health and Social Development*, of relevant performance measures gauging risk factors impacting health and social development. The report card highlights risk indicators such as poverty, lack of health insurance, lack of prenatal care in first trimester, teen pregnancy rates, infant mortality, immunization rates, number of well-baby visits, low birth weight rates, school readiness, high quality childcare, child maltreatment rates, and juvenile justice domestic violence statistics. The following subsections reveal the high degree of risk facing New Mexico's children.

Child Poverty. In 2006-08, an estimated 24.1 percent of New Mexico's children and 18.2 percent of U.S. children less than 18 years of age were living in families at or below the federal poverty level (FPL). Poverty is one of the most significant determinants of health and well-being for a child.

In New Mexico, an estimated 23 percent of children lived in households with Supplemental Security Income (SSI), public assistance income, or Supplemental Nutrition Assistance Program benefits (formerly food stamps). The estimate varied by family composition: 14.3 percent in married couple family households; 24.3 percent in a single parent home headed by a male; and 42.2 percent in a single parent home headed by a female.

Preterm and Low Birthweight Babies. According to the March of Dimes, in 2008, 12.3 percent of all live births in New Mexico were preterm. Preterm babies are at risk of higher rates of serious health problems, intellectual disabilities, and learning and behavioral problems. Preterm babies are also at a higher risk for low birthweight; births less than 2,500 grams or 5½ pounds or less. Low birthweight infants commonly experience vision impairment or loss, bleeding in the brain, respiratory distress syndrome (RDS) and are at higher risk for type 2 diabetes, heart disease, and high blood pressure as adults. Babies of teen mothers have increased rates of preterm birth and low birthweight.

¹ *NM Kids Count*, New Mexico Voices for Children, 2010. <http://www.nmvoices.org/kidscount.htm> New Mexico Data Page

Low Birthweight Rates	
U.S.	8.2%
New Mexico	8.5%
Harding County	26.7%
Catron County	13.8%
Guadalupe County	12.7%
Colfax County	12.6%
Mora County	12.1%
Quay County	11.4%
Rio Arriba County	11.3%
Torrance County	10.7%
Los Alamos County	10.4%
San Miguel County	10.0%
Sierra County	10.0%

Teen Pregnancy Rates per 1,000	
U.S.	20.1
New Mexico	33.1
Luna County	65.5
Quay County	58.3
Lea County	56.7
Curry County	53.8
Grant County	46.8
Cibola County	44.3
Guadalupe County	44.0
Eddy County	43.5
Socorro County	43.4
Hidalgo County	42.8
Chaves County	42.6
Rio Arriba County	42.4

In February 2012, the Centers for Medicare and Medicaid Services launched the “Strong Start” initiative, which provides \$43.2 million in grants to providers, state Medicaid agencies, and Medicaid managed care organizations to reduce early elective deliveries and test new approaches to better prenatal care for women with high-risk pregnancies.

According to the DOH, of New Mexico’s 33 counties, eleven counties experienced low birthweight rate of 10 percent or higher. Harding, Catron, and Guadalupe counties experienced the highest percent of low birthweight babies.

New Mexico’s teen pregnancy rates rank among the highest in the country. Babies of teen mothers have increased rates of preterm birth and low birthweight.

Health Development. Diabetes, hypertension, sexually transmitted diseases, obesity, smoking, alcohol use and depression can lead to a high-risk pregnancy, preterm birth and low birthweight babies. Prenatal care includes screening and diagnostic tests that identify problems early, manage chronic conditions and educate about risky behaviors. Women who receive late or no prenatal care are twice as likely to have a low birthweight baby, compared with those who receive early prenatal care.

Medicaid Covered Well-Child Visits. Medicaid pays for six well-child doctor visits during the first 15 months of life and another four early childhood visits from 15 months to 3 years of age. For the almost 20,000 infants annually enrolled in Medicaid, these visits are crucial after birth to track developmental progress and to aggressively treat any health issues that could impair proper development.

The HSD includes performance measures in their contracts with managed care organizations (MCO’s) that directly track performance in this area. The HSD’s target required at least 59 percent of children have six well-child visits during the first 15 months of life. For FY11, the HSD reported that three of the four managed care organizations met this target, with Molina healthcare having the highest percentage at 67 percent. FY12 performance is currently lagging with an overall rate of 29 percent of children receiving all six well-child visits.

Performance in this area is a shared responsibility between the HSD, the MCO’s and parents. With no MCO exceeding 70 percent performance, there is much room for improvement. Moving forward, the HSD is considering an incentive program as part of Centennial Care to offer gift cards for Medicaid clients who meet preventative health goals; this concept, along with a renewed emphasis from the MCO’s, will hopefully improve performance in this area.

SUMMARY OF NEW MEXICO’S CURRENT PROGRAMS AND FUNDING

Numerous early childhood prevention and intervention programs exist to reduce health and developmental risks. The following sections will focus on programs provided by the Human Services Department, the Children, Youth and Families Department, and the Department of Health. Two non-state funded programs are also highlighted.

The National Conference of State Legislatures reports that nationally, Medicaid pays for 40 percent of all births.

HSD reported in 2010 that Medicaid covered 19,863 births, 71 percent of the 27,795 births in New Mexico.

New Mexico's Medicaid program covers pregnant women with incomes of up to 185 percent FPL (\$3,554 monthly income for a family of four). In 2010 this placed NM in the top ten states for this benefit level.

New Mexico's Medicaid program covers children from birth to 19 with family incomes up to 235 percent FPL (\$4,514 monthly income for a family of four).

Unfortunately, many of the programs outlined below do not collect age-specific data or currently group children into age ranges too broad to accurately portray the services for those in the crucial zero to age 3 population. Some of the programs below only serve a small fraction of the at-risk prenatal to 3 population.

Human Services Department (HSD). The HSD plays a major role in funding prenatal and early childhood healthcare through Medicaid managed care organizations (MCOs) and fee-for-service payments.

HSD reports over \$330 million in FY11 Medicaid expenditures for over 105 thousand children from birth to age 3. In the prenatal area, HSD reported \$131.1 million in prenatal related expenses for over 34 thousand women.

Key components of Medicaid funded services in this area include:

- Full coverage of prenatal care, and 3 of 4 MCOs provided enhanced benefit packages covering non-pregnancy health needs for pregnant women.
- Other value added services from the MCOs include dental care, child car seats and prenatal classes.
- Targeted case management for pregnant women and infants which may include a home visiting component.
- Case management services for children up to age 3.
- Comprehensive health and developmental assessment services through Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT). HSD notes the definition in "medical necessity" in EPSDT is broad to allow for promotion of children's health development.
- Coverage of EPSDT related conditions, including preventative and remedial care, home health services, behavioral health, and case management.

Department of Health. The Public Health and the Developmental Disabilities Services Programs have several programs which serve the prenatal to age 3 population. Overall, in FY13 the programs were appropriated a total of \$138 million, of which approximately \$21 million is from the general fund. In, FY11 the programs provided thousands of screenings and other services through 1.2 million encounters with children and prenatal mothers.

However, quarterly performance reporting for the last two years has shown declines in the performance outcomes as well as the numbers served for the Families First, Women, Infants and Children (WIC), Vaccines for Children, and Family, Infant and Toddler (FIT) Programs. The decline in program outcomes may be associated with staffing shortages (i.e., WIC), declining program performance (i.e., Vaccines for Children/immunizations), policy and service changes (i.e., declining numbers served by FIT/At Risk-Environmental), and affects of funding shortages from Medicaid and other sources (i.e., Families First).

LFC program evaluators have started a new program evaluation focusing on the New Mexico Medicaid healthcare delivery system for pregnant women and young children, infants to 3 years old.

The project will review costs and use of services delivered by the four MCOs to pregnant women and very young children; review Medicaid program outcomes for this population, including measures of access, quality, and cost-effectiveness; and assess current or potential strategies to improve outcomes and lower costs, including payment reforms, different service mix, and care coordination.

According to the National Conference of State Legislatures (NCSL):

- Home visits start early, often before the child's birth and continue for two or three years. Visitors come more frequently near the birth, often once a week or twice a month, and less frequently as the child grows older.
- Home visitors work with parents (or other caregivers) and children, helping them understand children's health and development, showing them how to support the child's learning and development, and identifying developmental challenges and linking them to needed services.

Children's Medical Services. The Children's Medical Services (CMS) Program provides care coordination, access to care and payment for medical services for uninsured children in New Mexico who have chronic conditions and special health care needs. The program was appropriated \$7 million total funds in FY13, with \$4.4 million from the general fund, and serves 4,400 children from birth to age 21.

Newborn Genetic and Hearing Screening. These programs receive no general fund revenue and are diagnostic programs to screen, prevent or conduct early intervention for rare diseases and hearing loss. In FY11, 60,000 children were screened.

Families First. The Families First Program is a revenue-driven program, billing Medicaid and the managed care organizations (MCOs) for case management services for Medicaid-eligible pregnant women and children age zero to 3. In FY13, the program will receive a transfer from HSD of \$500 thousand from Medicaid for administrative costs towards outreach, such as Presumptive Eligibility Medicaid On Sight Application Assistance (PE MOSAA). In FY13, the program was appropriated a total of \$2.1 million, and in FY11 the program served 1,262 prenatal women and 1,814 children.

Child Health. This area consists of three programs: maternal health, child health, and midwife licensing and regulation. These programs are intended to improve birth outcomes and the health of the mother and child. These programs receive no general fund revenue, but will receive \$98 thousand in federal and other revenue in FY13. In FY11, the programs served 1,805 children from birth to age five.

Vaccines for Children. This program provides all routinely recommended immunizations for all children in New Mexico through shipments of vaccines to approximately 470 enrolled healthcare sites. In FY13, the program is appropriated \$36 million, with \$1.5 million in general fund revenue. In FY11, 508,957 children were immunized. The state's immunizations rates have evidenced declines in recent years.

Women, Infants and Children (WIC). The WIC Program provides supplemental food as well as nutrition education to low-income women below 185 percent of the FPL who are pregnant or have children through age five. In FY13, the program will receive \$55 million in federal Department of Agriculture funds. In FY11, 559,448 children were served. The state's WIC caseload rates have been declining recently due to staffing vacancies.

Commodity Supplemental Food. This federally-funded program supplements the diets of low-income individuals with USDA commodity foods. In FY11, the program served 7,959 children.

• Home visitors may be nurses, social workers, or early childhood specialists and generally receive additional training focused on maternal and child health, parenting, early childhood education, and child abuse and neglect.

Critical Elements of Effective Home Visiting:

Targeted - Home visiting services need to focus on the families facing the most disadvantage. Home visits can be targeted to first-time parents, teen parents, single parents, parents with substance abuse issues and maternal depression, and low income parents.

Intensive - Home visiting services need to be intensive. They must extend for a long period of time, most usefully from before birth to the second or third year of the child's life. They also should be frequent, meaning at least once or twice every month in the beginning of the home visiting.

Specialized training - Home visitors should receive specialized training. Some approaches use nurses, early childhood specialists or social workers. Home visitors also receive training in early childhood development, children's health, parenting, and in the services and supports available to parents in their communities.

Family, Infant and Toddler. The Family, Infant and Toddler (FIT) Program provides early intervention services for children from birth to age 3 with, or at-risk for, developmental delays and disabilities and their families. For FY13, the program is appropriated \$14 million in general fund revenue, \$1.4 million from private insurance funding, \$2.9 million in federal grant funding, and approximately \$15.5 million in Medicaid funding. In FY11, the program served 13,799 children.

Children, Youth and Families Department. The Early Childhood Services Division of the CYFD has several programs which serve the prenatal to age 3 population.

Home Visiting. Home visiting services offer support to pregnant women and new families. The services can lead to improved maternal and child health outcomes, positive parenting, safe homes, school readiness, economic self-sufficiency, connections to community services, and reductions in child maltreatment and juvenile delinquency. Home visiting is a service provided by qualified home visitor within the home to parents, prenatally and/or with children birth to age 3. Home visiting is viewed as a delivery strategy for primary prevention services that are informational, developmental, and educational. Priority is to be given to serving low-income families in at-risk communities, as identified by a statewide needs assessment. It is critical for New Mexico to develop a continuum of home visiting services based on family risks and needs.

The FY13 general fund appropriation for home visiting increased funding from \$2.3 million to \$3.2 million. In FY11, CYFD's home visiting program provided services to approximately 592 infants. With over 19,000 newborns on Medicaid it is clear there is an extremely high level of unmet need. Several models of home visiting exist throughout the state. All the state-funded home visiting models are standards-based.

The federal Affordable Care Act created the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program in an effort to provide funding for states to expand their home visiting programs. MIECHV is an evidence-based policy initiative which requires at least 75 percent of federal grant funds to be used for evidence-based home visiting models. Currently, nine home visiting models meet the federal criteria to be considered evidence-based models. Currently, federal funding is being utilized in New Mexico to implement two evidence-based home visiting models in two of the most at-risk communities in New Mexico. The Parents As Teachers model is being implemented in McKinley County by the Gallup/McKinley County Schools and the Nurse Family Partnership model is being implemented in the South Valley of Albuquerque by the UNM/Center for Development and Disability.

Currently, the U.S. Department of Health and Human Services has designated nine evidence-based home visiting models:

1. Early Head Start (EHS) – Home Visiting Option
2. Family Check-Up (FCU)
3. Healthy Families America (HFA)
4. Healthy Steps (HS) for Young Children
5. Home Instruction Program for Preschool Youngsters (HIPPY)
6. Nurse-Family Partnership (NFP)
7. Parents as Teachers (PAT)
8. Early Intervention Program for Adolescent Mothers (EIP)
9. Child FIRST

A recent NCSL Legisbrief, "Improving Babies Health and Reducing Medicaid Costs," highlights a number of state initiatives, including:

- 1) **Early prenatal care for high-risk pregnancies.** Louisiana is trying to increase the use of prenatal services by pregnant women in Medicaid through the state's Birth Outcomes Initiative. It is a cross-departmental project to identify better models of care, improve data systems, form community partnerships, and promotes awareness among women enrolled in Medicaid about the importance of health screenings before they become pregnant as well as the prenatal care services available to them.

Childcare Assistance. The Childcare Assistance program subsidizes the cost of childcare for low-income families (at or below 200 percent of the federal poverty level) that are working and/or in school and have a need for childcare. Qualified children must be between the ages of 6 weeks and 13 years of age. The subsidy amount varies depending upon the age of the child, the type of child care, the location of the program, parental income and the rating of the child care program (as determined by the STARS Quality Rating System).

The childcare assistance program is funded at \$87.2 million for FY13; \$29.8 million from the general fund, \$56 million from federal funding, and \$1.4 million from other state funds. In FY11, 22,442 children on average received monthly childcare subsidies. Children zero to 3 comprise on average 45 percent of the children who benefited monthly from childcare assistance. Unfortunately, as highlighted in the children's status report card, *Appendix A*, the majority of children receiving childcare assistance are not in the highest quality childcare settings.

Family Nutrition. The CYFD administers two USDA Child Nutrition Programs which provide federal funds to participating institutions to initiate and maintain non-profit food service programs for eligible children and adults. The funds, totaling \$41.2 million, provided through these programs help ensure that eligible children and adults receive nutritious meals that meet USDA meal pattern requirements. In FY11, 38,547 children on average participated daily. The CYFD does not have a breakout of the children zero to 3 that benefit from this program.

Non-State Funded Programs. The federal government as well as local non-governmental agencies also fund early childhood programs focused on improving the health and social development outcomes of children in New Mexico.

Early Head Start. Early Head Start (EHS) is a federally funded community-based program for low-income families with infants and toddlers and pregnant women. Its mission is to promote healthy prenatal outcomes for pregnant women, enhance the development of very young children, and promote healthy family functioning. In federal fiscal year 2011, New Mexico providers received \$12 million in funding for Early Head Start.

St. Joseph's Community Health. The St. Joseph Home Visiting Program provides mothers, fathers and primary care providers with education and support. The program focuses on a child's health and development during the period of early brain development from prenatal to 3 years of age. First time pregnant women and parents receive weekly home visits by a trained health educator. The visits are an opportunity for new parents to learn about various topics including: physical and emotional changes during pregnancy, feeding and breastfeeding, creating stimulating environments, and how to work towards solutions for family challenges.

The Healthy Texas Babies Initiative—a collaboration of state agencies, health care providers, insurance companies and community members—aims to decrease infant mortality and save \$7.2 million in Medicaid costs over two years. One goal is to increase prenatal health awareness and access to care for Medicaid-enrolled women with high-risk pregnancies through awareness and education campaigns.

- 2) **Early elective deliveries.** Elective deliveries from induced labor or cesarean sections before 39 weeks increase the risk of complications that require longer and costlier hospital stays. They account for more than 10 percent of births, and have increased over recent decades because of cultural preferences, convenience and physician schedules.

The Ohio Perinatal Quality Collaborative, funded by a grant from the Centers for Medicare and Medicaid Services in 2007, reduced early elective deliveries by educating patients and providers, and recommending certain health care practices. Over three years, it prevented about 20,700 early elective births, saving about \$25 million from fewer admissions to neonatal intensive care units.

OPPORTUNITIES EXIST TO IMPROVE NEW MEXICO'S PRENATAL AND EARLY CHILDHOOD PROGRAMS, INCLUDING LEVERAGING FEDERAL AND OTHER FUNDING

Medicaid Funded Home Visiting. Medicaid provides for case management services for high risk pregnancies and perinatal case management for up to 60 days after birth. Under EPSDT required screening, case management for children is allowable if made as part of a healthcare assessment. Home visiting services are one of the services that a client and child can be referred to as part of case management or other assessments undertaken by medical or behavioral health provider.

Lack of Uniformity in Medicaid Funded Home Visiting Programs. HSD's four MCOs provide home visiting in different manners. Molina and Lovelace utilize the DOH administered Families First program, which is a registered nurse/social worker based model. Presbyterian Health Plan employs another home visiting model known as PREScious Beginnings. Blue Cross appears to utilize predominately internal case management, with some outside referrals to Families First. HSD does not regulate the provision of these home visiting services or require a standardized risk assessment form to help providers decide if the home visiting is warranted.

HSD's Medicaid Funded Home Visiting Benefit is Limited. The lines between "case management" which is a defined billable Medicaid service and home visiting, which can provide a comprehensive set of related services is blurred. The HSD rule limits case management services to four hours per-year for children from birth to age 3 and five hours of case management per Medicaid enrollee per pregnancy. When questioned about the rationale for these limits, the HSD noted that providers can choose to provide additional services (such as more home visiting hours) to meet the value-added requirement of their contracts. For example, Molina reports that it averages 10-12 hours per-client for Family First home visiting.

Data from 2011 provided by HSD (self-reported by the MCO's) demonstrates the relatively small size of this benefit package:

- Total case management-based home visiting spending: \$2.9 million
- Individuals served: 6,510
- Average cost per person: \$446 dollars
- Average hours per member: 4.25

The average number of home visiting hours per client reported by the MCO's of 4.25 hours appears to fall in the range of HSD's case management limits. The majority of home visiting programs provide many more hours of service (often over a longer period of time) than it appears the MCO's currently provide.

The South Carolina Department of Health and Human Services' Birth Outcomes Initiative worked with the state's hospital association in 2011 to decrease early elective deliveries among Medicaid enrollees. The state saves around \$1 million in delivery costs and \$7 million from fewer hospitalizations for babies a year. In addition, New York, Texas and Washington passed laws in 2011 to reduce early elective deliveries.

3) **Medical homes for pregnant women.**

Medical homes aim to better coordinate health care and promote patients' involvement in their own care while controlling costs. North Carolina developed a pregnancy medical home program that coordinates comprehensive maternity care and education for Medicaid patients with high-risk pregnancies. Providers must offer individual prenatal health management, agree not to perform early elective deliveries, achieve cesarean rates of 20 percent or less for first time deliveries, and offer a hormone treatment to prevent preterm births when needed. North Carolina expects to save \$9 million over two years.

As noted earlier, total expenditures for the birth to 3 population are almost \$330 million (with another \$15 million carved out for FIT). Home visiting represents well under 1 percent of this amount. Given the size of the newborn population enrolled in Medicaid (over 19,000) it is important for HSD to explore opportunities to improve and expand this service.

Opportunities Exist to Improve and Expand Medicaid Funded Home Visiting. The Pew Center on the States with the National Academy for State Health Policy has documented initiatives to expand home visiting services using Medicaid which they will discuss at today's hearing. Of note, effective January 1, 2013, states will receive a 1 percent increased FMAP for some preventative services included in their state plans. To access this increased funding, PEW notes that states will need to work with the federal government to:

- Make the case for evidence-based home visiting programs as a preventative service;
- Define lists of serviced typically delivered through home visiting as a preventative service; and
- Define single bundle of home visiting services for new mothers and children as a preventative service.

The HSD is examining this option (and others), but notes that use of Medicaid for home visiting is complex because the service can still only be provided by Medicaid using federal funding when there is some indication of medical need. The HSD points out this as a primary difference between the home visiting services that CYFD can cover (using general fund) but the Medicaid program cannot at this point. However, PEW points out that the federal position on Medicaid financing of home visiting is evolving, so the HSD is strongly encouraged to initiate further discussions.

At the same time, the HSD has an opportunity to improve the quality of Medicaid funded home visiting programs by enhancing its oversight and standardizing risk assessments for potential clients across all MCO's. The HSD should seek federal approval for evidenced-based home visiting models that are intensive (including weekly visits, if needed), targeted to children at risk of abuse, neglect or developmental delays and contain a medical component. These models have a higher per child cost but also yield the highest return on investment.

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Appendix A, How Does New Mexico Compare Report Card
Appendix B, New Mexico's Prenatal to Three Early Childhood Programs

Legislative Finance Committee

New Mexico's Children

Risk Factors Impacting on Health and Social Development

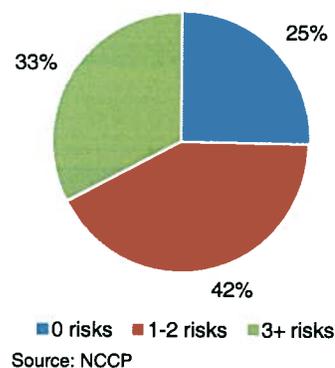
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HOW DO NEW MEXICO'S CHILDREN FARE?

Background. “A vital and productive society with a prosperous and sustainable future is built on a foundation of healthy child development. Health in the earliest years, actually beginning with the future mother’s health before she becomes pregnant, lays the groundwork for a lifetime of well-being” is the lead-in statement for Harvard University’s publication addressing issues in the development of a healthy population. Research has demonstrated that early child health and social development interventions, prenatally and for the first five years of a child’s life, promotes brain development and maturation and results in positive life-long health and social outcomes.

The New Mexico Early Childhood Profile, compiled by the National Center for Children in Poverty, identifies policy, economic, and social conditions which impact the health of children. Young children are defined as those less than six years of age. In New Mexico, that represents approximately 177 thousand children. The profile identifies risk factors which can compromise the health and social development of children. The greater number of risk factors, the higher the probability that health and social development will be hampered. Risk factors include: single parent, living in poverty, linguistically isolated, parents with less than a high school education, and parents with no paid employment. The Center identifies 25 percent of young children in New Mexico are exposed to three or more risks which could influence their social development process.

2009 NM Risk Factors for Young Children

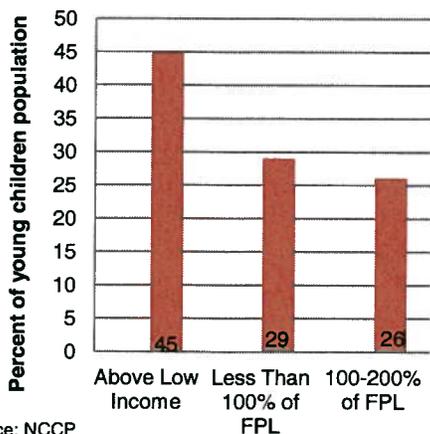


This report card compiled relevant performance measures which gauge New Mexico’s progress, comparing data with that of other states or over time.

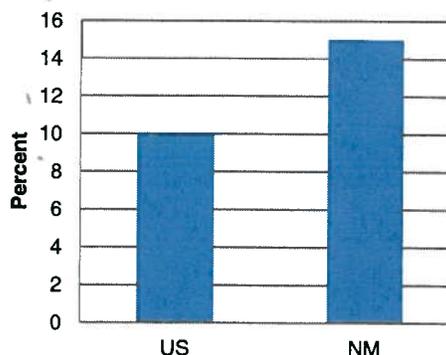
Family Economic Self Sufficiency

Income. Thirteen percent of New Mexico’s children live in extreme poverty, less than 50 percent of federal poverty level. For 2012, the Federal Register identifies a family of four with a gross yearly income less than \$12 thousand as living in extreme poverty. In 2009, thirty-one percent of children in New Mexico were living with families where no parent had full-time, year-round employment.

NM Young Children by Income



2009 Young Children Lacking Health Insurance



Health Insurance. Families without health insurance are less likely to participate in preventive screenings and assessments, including adherence to recommended schedules for prenatal and well-child visits.

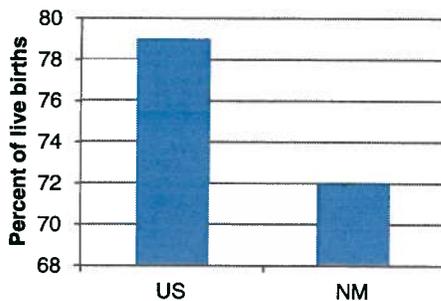
Maternal Health

Prenatal Care. Certain vulnerable populations—including young women, poor women, women with lower education levels, and women in certain racial and ethnic groups, are less likely to receive adequate prenatal care. The U.S. Department of Health and Human Services, Healthy People 2010, have established a compliance goal for first trimester prenatal care at 90 percent of all pregnant women.

Teen Pregnancy. Pregnancy and birth are significant contributors to high school dropout rates among girls. Only 50 percent of teen mothers receive a high school diploma by 22 years of age compared to approximately 90 percent of women who had not given birth during adolescence. The children of teenage mothers are more likely to have lower school achievement and drop out of high school, have more health problems, be incarcerated at some time during adolescence, give birth as a teenager, and face unemployment as a young adult.

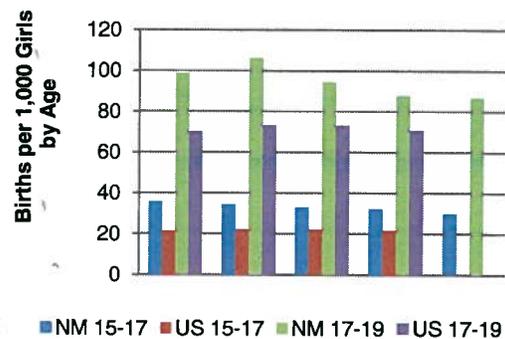
Nutrition. Poor nutrition during pregnancy can result in infant mortality, birth defects, pre-term births, and maternal complications, such as pre-eclampsia. Pre-eclampsia affect the placenta and can harm the mother’s kidneys, liver, and brain. The US Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides supplemental foods, nutritional education, and health and social services referrals for low-income pregnant, breastfeeding and post-delivery women, infants, and children. In FY11, the New Mexico WIC Program served 62 thousand women and families.

2007 Prenatal Care in First Trimester



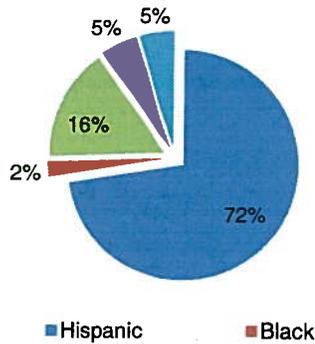
Source: NM DOH

2010 Teen Pregnancy



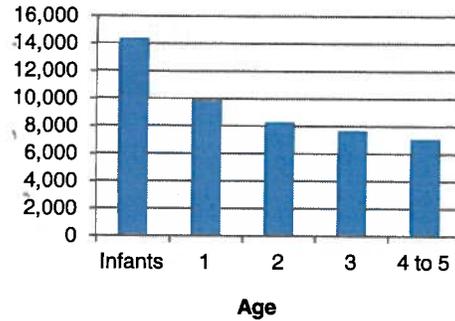
Source: NM DOH

WIC Program Participation by Ethnicity



Source: WIC

Participation in WIC by Age
(as of September 30, 2011)



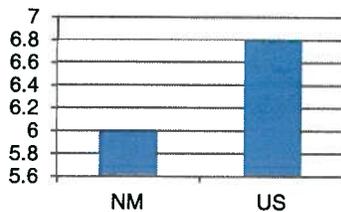
Source: WIC

Child Health

Infant Mortality. From 2005-2007, infant mortality in New Mexico ranked 14th in the nation, with 1st representing the best state for children. Although a rate was not reported in 2010, the number of deaths in New Mexico was 155. The leading causes of those deaths were prenatal conditions, congenital malformations and unintentional injuries.

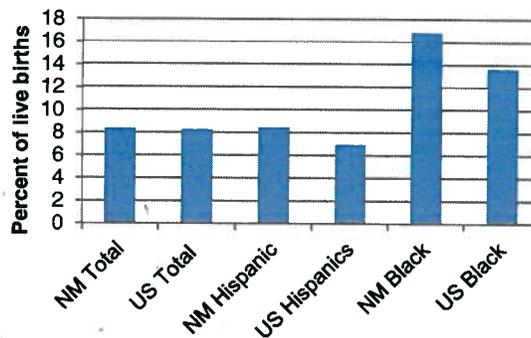
Low Birth Weight. Low birth weight is a major determinant of mortality, morbidity, and disability in infancy and can have long-term consequences on health outcomes in adult life.

2005-2007 Infant Mortality
(deaths per 1000 births)



Source: DOH

2008-2010 Low Birth Weights

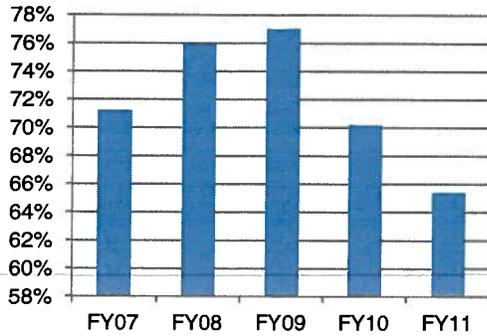


Source: DOH

Immunizations. Immunizations provide one of the most cost-effective interventions by which to contain the spread of infectious diseases and prevention of serious illness and deaths in children. A portion of the recent drop in the percent of children being immunized can be attributed to the number of parents requesting exemptions.

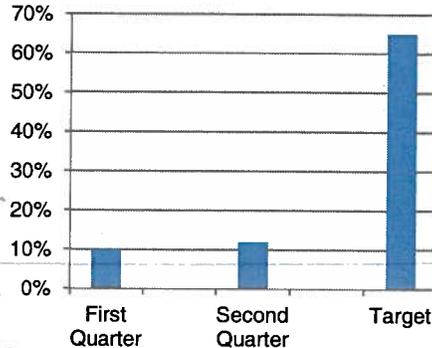
Well-Baby Visits. The NM Medicaid program recommends infants receive well-baby visits at ages one, two, four, six, nine, and 12 months and young children receive visits at ages 15, 18, 24, and 36 months. The well-baby visit measure is new in FY12.

Percent of NM Preschoolers Fully Immunized



Source: DOH

Percent of Infants Receiving 6 or More Well-Baby Visits in First Fifteen Months FY12



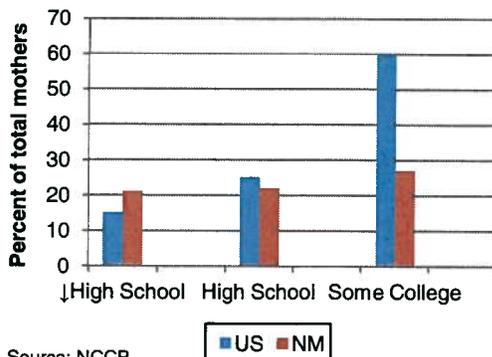
Source: HSD

School Readiness and Attainment

Education of Mother. Teen mothers are disproportionately represented in the group with less than a high school education. Research cited by the Foundation for Child Development links higher parental educational attainment to stronger educational outcomes for children and can provide greater financial resources to the family.

Pre-K and Childcare. A high percentage of New Mexico students show up to kindergarten far behind expectations and are at-risk of academic failure. In 2008, PreK students scored in the 23rd percentile nationally for receptive vocabulary, a key indicator of school success. New Mexico PreK, promoting school readiness, is a voluntary program funded by the state of New Mexico. The Public Education and the Children, Youth, and Families Departments both administer Pre-K programs. Enrollment is not based upon income eligibility determination. Childcare programs are ranked using the Stars Quality Rating System. The level of program quality is indicated by one, two, three, four, or five stars with five being the highest ranking.

2009 Educational Level of Mothers with Young Children



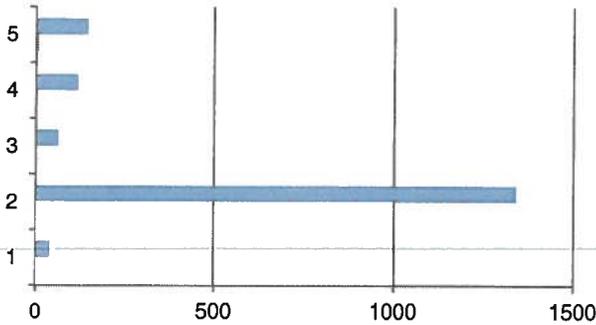
Source: NCCP

Percent of PreK Students Showing Measurable Progress on the Preschool Readiness Kindergarten Tool, FY11

	CYFD	PED
Physical Development, Health and Well-Being	94.8%	96.0%
Domains	90.1%	92.3%
Numeracy	90.3%	92.2%
Aesthetic Creativity	86.5%	89.1%
Scientific Conceptual Understandings	84.8%	86.7%
Self, Family and Community	89.4%	90.3%
Approaches to Learning	91.0%	93.4%

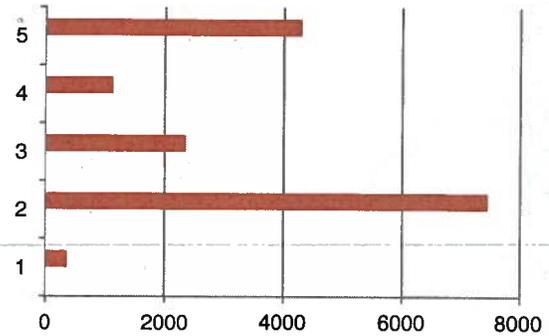
Source: UNM

Number of Children in Licensed Homes
(by Star Level in February 2012)



Source: CYFD

Number of Children in Licensed Daycare Centers
(by Star level in February 2012)

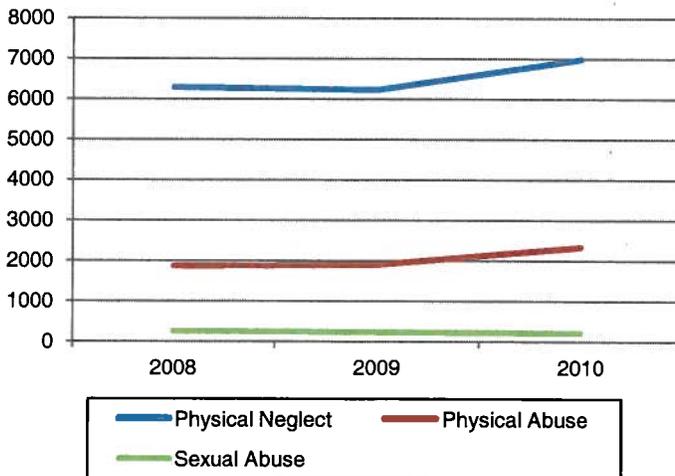


Source: CYFD

Child Maltreatment

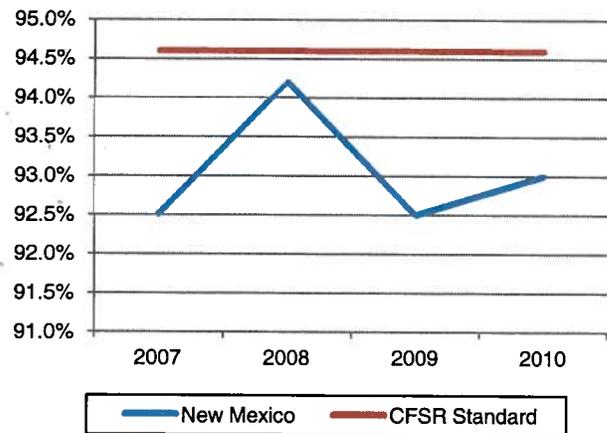
Child Abuse and Neglect. In 2010, over 6 thousand children were the victims of abuse of neglect in New Mexico. As a result of the maltreatment, nineteen of those children died. Studies have shown in addition to any physical health issues, child victims may suffer life-long psychological consequences including: post-traumatic stress disorders, depression, anxiety, eating disorders, and suicide attempts. According to the National Institute of Justice, abused or neglected children are eleven times more likely to be arrested for criminal behavior as juveniles. As of 2010, seven percent of children in out-of-home placements experienced a reoccurrence of maltreatment within six months of an abuse incident.

2010 Substantiated Allegations



Source: CYFD

No Recurrence of Maltreatment within Six Months



Source: PSD Fact Book

Domestic Violence. Recent research indicates that children who witness domestic violence show more anxiety, low self esteem, depression, anger and temperament problems than children who do not witness violence in the home. The trauma they experience can show up in emotional, behavioral, social and physical disturbances that effect their development and can continue into adulthood. Witnesses of domestic violence have a greater propensity to become abusers.

2008 Domestic Violence Statistics



Source: National Network to End Domestic Violence

Juvenile Justice

Delinquency. Based upon 2010 data reported by New Mexico law enforcement agencies to the Federal Bureau of Investigation, 110,709 arrests were made in the state. Of those, 11 percent were arrests of individuals 18 years or younger. The following table shows arrest by selected types of crime for the younger population.

2010 NM Arrests for Individuals 18 Years or Younger	
Violent Crimes	484
Aggravated Assaults	404
Other Assaults	1,722
Larceny/Thefts	2,502
Drug Abuse Violations	1,628
Liquor Laws	857
Vandalism	398

Source: FBI

Governance and Coordination

New Mexico Early Learning Advisory Council (ELAC). In 2011, the legislature passed the Early Childhood Care and Education Act, which established the membership and the role of the council. It is the council's responsibility to lead the development of a high-quality, aligned, comprehensive system of early childhood development and care, that ensures statewide coordination and collaboration among the wide range of early childhood programs and services within the state, including childcare, Early Head Start, Head Start, Federal Individuals with Disabilities Education Act programs for preschool, infants and families and pre-kindergarten programs and services. The Council consists of fifteen members and includes the Secretary of Public Education or the Secretary's designee, the Secretary of Children, Youth and Families or the Secretary's Designee and the Director of the Head Start State Collaboration Office of the Department as ex officio members. The remaining members include members of the New Mexico Business Roundtable, a representative from DOH, early care and education providers, Head Start providers, representatives of higher education institutions and local educational agencies.

New Mexico Children's Cabinet. The Cabinet is comprised of thirteen individuals including: the Governor, the Lieutenant Governor, and secretaries from the departments of Indian Affairs, Finance and Administration, Children, Youth and Families, Public Safety, Higher Education, Cultural Affairs, Human Services, Health, Corrections, and Public Education. According to Governor Martinez's Children's Cabinet website, the Children's Cabinet will focus on the following objectives:

- Reducing the state's infant mortality rate
- Confronting childhood obesity
- Improving reading readiness
- Encouraging out-of-system adoption to provide caring families for kids in need
- Curbing the high school dropout epidemic
- Stopping the abuse of prescription drugs by teens
- Educating our students well to reduce the use of remedial classes in college

Data Systems Project. The state's grant application for the Race to the Top Early Learning Challenge articulated the need for a data system to consolidate all CYFD's early learning programs. The CYFD early learning consolidated data system would be aligned and interoperable with the P-20 Education data warehouse system. The data system would also align with early learning data systems located in other state department and external entities, such as the PED, Department of Health, and University of New Mexico Continuing Education and Community Services. A consolidated data system is necessary to generate information that is timely, relevant, accessible, and easy for early learning programs and educators to use for continuous improvement of instruction, practices, services, decision making, and policies. The initial 2011 Race to the Top Early Learning Challenge grant application estimated the cost of this data system at \$9.5 million.

Prenatal to Age 3 Early Childhood Programs and Funding

Department/ Division	Program	FY13 Budget	Services	FY11 Numbers Served	Targeting Criteria	Target Age	Location	Major Aims
DOH/PHD	Children's Medical Services	Total \$6.94 million: State Funding \$4.44 million; Federal Funding \$2.27 million; Payment for Services \$228,000	Provides care coordination, access to care, and payment for medical services for uninsured children in NM who have chronic conditions/special health care needs	4,400 children total (DOH does not have a breakdown of how many clients are 0-3)	Children with special healthcare needs. Must have a chronic condition that is in the CMS appendix to receive payment for medical care.	Children from birth to age 21	Statewide	To provide optimal medical care at the least possible cost; to improve quality of life for children with chronic conditions
DOH/PHD	Newborn Genetic Screening	Other Funding \$2.6 million	To identify children who look normal at birth but who have rare diseases that can cause early death or permanent disability if untreated	30,000 children	N/A	Newborns	Statewide	To identify children at birth so treatment can begin immediately to prevent bad outcomes
DOH/PHD	Newborn Hearing Screening (DOH)	Federal Funding \$399,800	Ensure screening for hearing loss and follow up to diagnostics and early intervention (no home visiting).	30,000 newborn infants	All infants born in health facilities licensed by the Department of Health and newborns brought to licensed health facilities after birth that have not received hearing sensitivity screening	Newborn infants	Statewide	To assure that infants with hearing loss are identified early and to provide early intervention services to optimize language development and school performance. Preventative care
DOH/PHD	Families First	Total \$2.1 million State General Fund \$806,000 Transfer from HSD \$500,000 Payment for services \$800,000	Case management for pregnant and post-partum women and children	1,262 prenatal and 1,814 children	Pregnant women and children on Medicaid	Pregnant women and Children from birth to age 3	Statewide	To improve birth outcomes and the health of mothers and children

Prenatal to Age 3 Early Childhood Programs and Funding

Department/ Division	Program	FY13 Budget	Services	FY11 Numbers Served	Targeting Criteria	Target Age	Location	Major Aims
DOH/PHD	Child Health	Federal Funding \$59,600 Other Funding \$38,000	Consists of three programs that provide services to pregnant women and children: maternal health, child health, and midwife licensing and regulation	1,805 children	Pregnant women and children	Children from birth to age 5	N/A	To improve birth outcomes and health of mother and children
DOH/PHD	Immunizations - Vaccines for Children (VFC)	Total \$35.85 million: State General Funding \$1.45 million; Federal Funding \$31 million; Other (revenue) Funding \$3.4 million	Provides all routinely recommended vaccines for all children in New Mexico through shipments to approximately 470 VFC enrolled healthcare sites	508,957 children	N/A	Children from birth to age 18	Statewide	Preventive Care (The development of vaccines and delivery of immunizations is one of the greatest achievements of medicine and Public Health. Prior to widespread use of vaccines, infectious diseases killed thousands of children and adults each year in the U.S. See below for effectiveness of vaccines.)
DOH/PHD	New Mexico - Women, Infants and Children (WIC) Program	Federal Funding \$55 million	Special supplemental food program that is administered by the United States Department of Agriculture, Food and Nutrition Services that provides nutrition education and supplemental foods	559,448 children	Low-income women who have incomes at or below 185 percent of the Federal Poverty Level and demonstrate a need for help with nutrition for their developing child or children	Children from birth to age 5	Statewide	Good nutrition
DOH/PHD	Commodity Supplemental Food Program	Federal Funding \$1.1 million	Works to improve the health of low-income individuals by supplementing their diets with nutritious United States Department of Agriculture commodity foods	7,959 children	Females (pregnant, breastfeeding, postpartum), infants, children and elderly.	Children from birth to age 6	Statewide	Good nutrition

Prenatal to Age 3 Early Childhood Programs and Funding

Department/ Division	Program	FY13 Budget	Services	FY11 Numbers Served	Targeting Criteria	Target Age	Location	Major Aims
DOH/DDSD	Family Infant Toddler Program	State Funding \$14 million; \$1.4 million Private Insurance Funding; \$2.9 Federal Grant Funding; ~\$15.5 million Federal Medicaid Funding	Early intervention services for children with or at risk for developmental delays and disabilities and their families	13,799 children	Children with or at risk of developmental delays and disabilities and their families	Children from birth to age 3	Statewide	To ensure infants and toddlers make progress in their development
	Early Head Start	FFY11 Federal Funding \$11,994,907	Community-based program, Center Based and Home Based Services	Families with infants or toddlers and pregnant women - 409 students	Low-income families with infants/toddlers and pregnant women	Birth through age three	Albuquerque, Laguna Pueblo, Las Cruces, Santa Fe County, San Juan County	To provide a higher quality care
CYFD	Childcare Assistance	State Funding \$29,788,500; Federal Funding \$55,982,300; and Other State Funds \$1,350,000	Child care financial assistance for pre-school and after-school care	22,442 monthly average number of children from low-income working families; an average 9,988 children 0-3 years of age benefited monthly from childcare assistance	Working families that are at 200 percent of the federal poverty level	Children from birth to age 12	Statewide	To promote learning and improve child care quality
CYFD	Family Nutrition	Federal Funding \$41,197,900	Provides cash reimbursements to approved providers who care for children and reimbursements for nutritious meals served to children	38,547 Children (Average Daily Attendance)	Child care providers and proprietary centers that meet eligibility requirements	Children from birth to age 12	Statewide	To teach children good nutrition habits
CYFD	Home Visiting	State Funding \$3,176,800	Early intervention strategy used to improve the health and well-being of children and their families.	N/A	First-time parents or those who are parenting for the first time with infants and toddlers, and 140 pregnant	Pregnant women and children from birth to age 3	Albuquerque, Silver City, Taos, Roswell and Las Cruces	To enhance the physical, emotional, mental and behavioral health of infants, toddlers, and families.

Prenatal to Age 3 Early Childhood Programs and Funding

Department/ Division	Program	FY13 Budget	Services	FY11 Numbers Served	Targeting Criteria	Target Age	Location	Major Aims
HSD	Medicaid	\$462 million or more (based on FY11 actuals), state share \$138 million, federal share \$32s million	Medicaid funding for pre-natal services and medical services for 0-3 population	112,602 kids and 34,500 women	Medicaid eligible pregnant women and children	Pregnant women and children from birth to age 3	Statewide	Provision of essential health care
HSD	Behavioral Health Prevention Services	Federal Funding \$630,912	Provisions of evidence based services to children and their families to enhance protective factors, diminish risk factors, improve family function and improve environmental conditions	1720 youth & parents	Need assessment based.	Children from age 11 to 16	Statewide	Healthy lifestyles

PROFESSIONAL DEVELOPMENT

CYFD	T.E.A.C.H.	CYFD State Funding \$381,900 CYFD Pre-K - \$236,521	Higher Education funding for early childhood teachers and directors	CYFD State Scholarships - 356; CYFD Pre-K Scholarships - 145	N/A	Children from birth to age 5	Statewide	To provide advanced degrees for early childhood providers
CYFD	Technical Training and Assistance Program (AIM HIGH/STARS)	General Fund \$805,825; Federal Funding \$2,220,000	AIM HIGH program offers parents, teachers and caregivers of young children a broad range of services from toy lending centers to parent/provider training. STARS program rewards child care centers and homes offering higher quality child care and education	22,442 monthly average number of children	Priority is given to: those serving high percentage of children receiving state subsidies; programs serving infants and toddlers; school-age programs; programs serving children with special needs; programs providing nontraditional hours of service	N/A	Statewide	To provide higher quality child care