



FISCAL YEAR 2022 BUDGET REQUEST FACTSHEETS

SECTION 4

This section highlights significant HSD budget requests in a clear and concise format by summarizing the request, proposed funding and benefits to New Mexico.

Child Support Modernization

What is Child Support Modernization?

Child Support Modernization is the implementation of national best practices for New Mexico’s child support program. Specifically, Modernization strengthens the child support enforcement program and updates current practices to increase regular, on-time payments to families, to increase the number of noncustodial parents supporting their children, and to improve program operations. These modernization practices will ensure more money is available to children in New Mexico.

General Fund and Federal Fund (FY 2021, 2022, Difference)

	FY 2021	FY 2022	Difference
General Fund	\$8,161.3	\$7,753.2	(\$408.1)
Federal Fund	\$19,130.9	\$18,338.7	(\$792.2)
Total	\$27,292.2	\$26,091.9	(\$1200.3)

Financial Benefits to New Mexico

The Child Support Enforcement Division launched a Modernization pilot in Rio Rancho, which increased the amount of child support collected per child by 8.2%. If all offices experience the same increase as the pilot office, the amount of child support collected per child would increase by almost \$11 per child per month.

Benefits to New Mexicans

Child support is an important source of income for families; HSD is collaborating with agency partners to provide New Mexican parents career opportunities. For example, the Supporting Training and Employing Parents (STEPup) program refers underemployed or unemployed parents to the NM Department of Workforce Solutions for job application assistance and employment. Since its March 2019 launch, 169 parents have participated in the program and 85 parents (50%) began paying child support while 49 (29%) parents obtained employment.

Frequently Asked Questions

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

A. No, work requirements remain for child support orders that if not complied with will lead to further legal enforcement.

Q. Will Child Support Modernization reduce the amount of child support I currently receive?

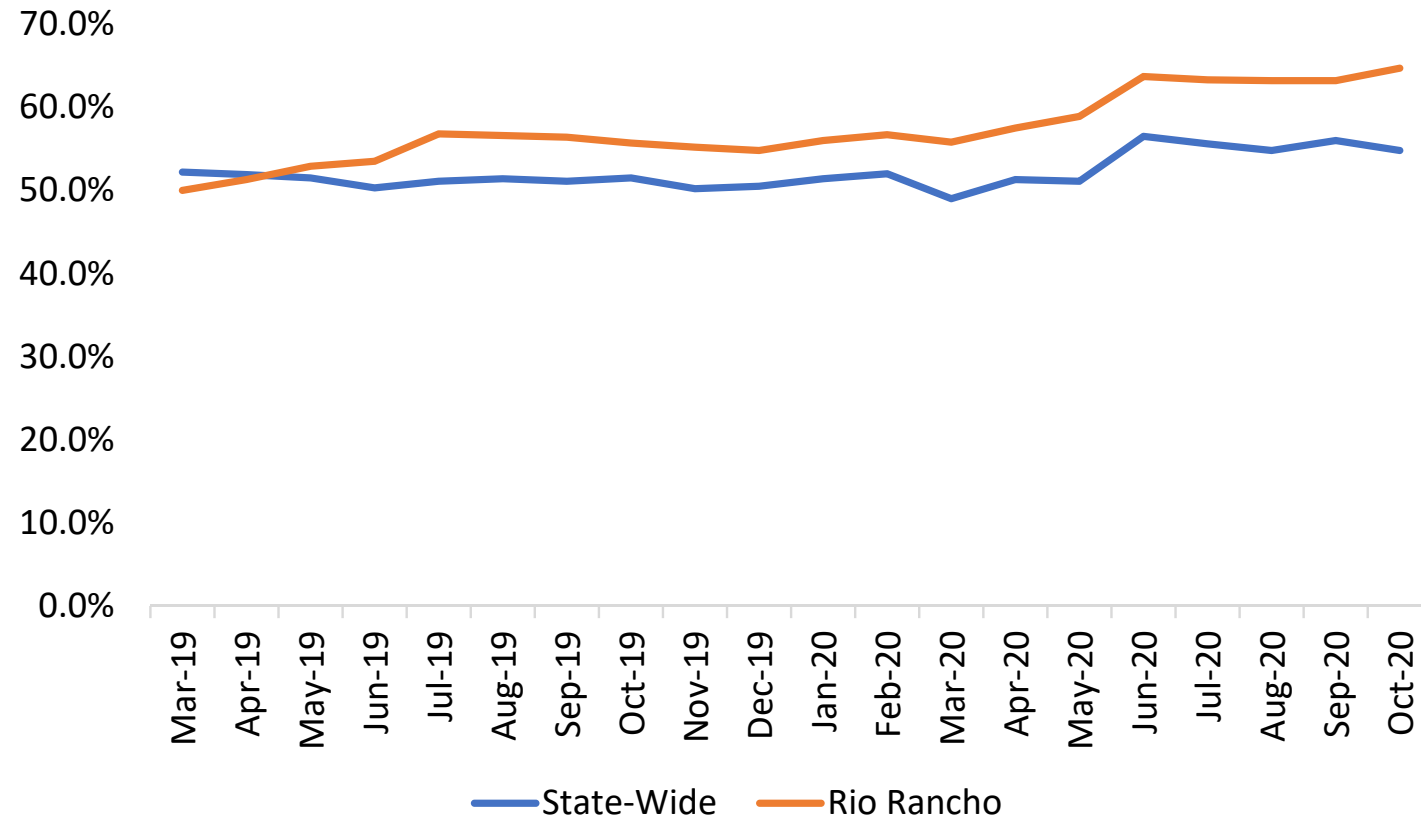
A. Under the federal modernization regulations, HSD is required to use the actual income of both parties to calculate support obligations. This means that staff cannot impute income that may not actually exist. Although this may reduce the monthly support amount in a court order, it means the non-custodial parent is more likely to regularly pay and comply with the order as the support amount is based on an actual income.

Child Support Modernization Activities SFY21-SFY22

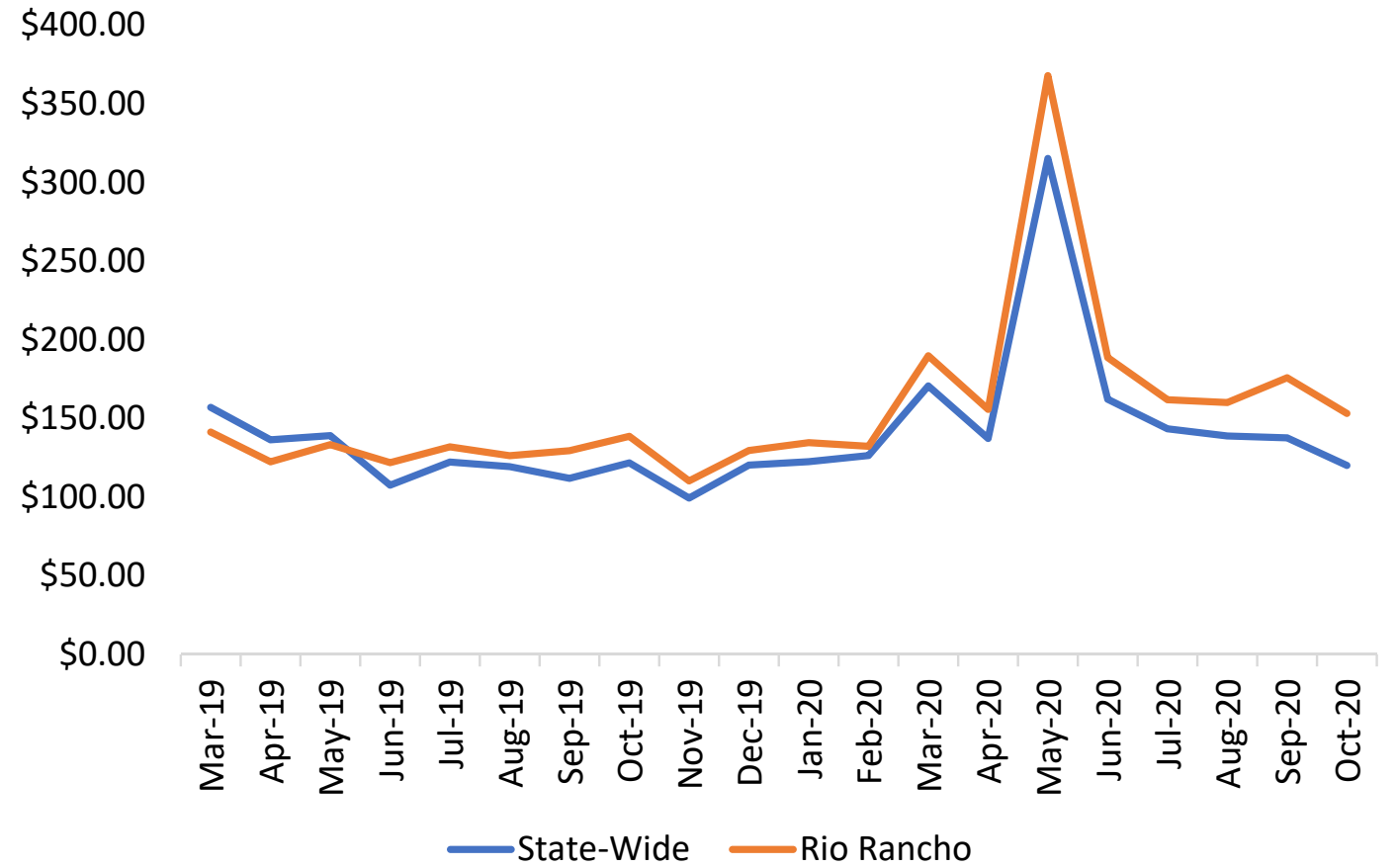
Goal 1: Improved Services	Goal 2: Effective Communications	Goal 3: Effective Technology	Goal 4: Staff Support
<ul style="list-style-type: none"> •Ability to Pay Assessment •Supporting Training Employing Parents Program •Increased Payments to Families •Revised Statutes and Regulations •Continuous Data Driven Process Methodology 	<ul style="list-style-type: none"> •Consolidated Customer Service Center •Increased Customer Outreach •Marketing and Rebranding Project •Collaborative Workgroup with NM District Court Child Support Hearing Officer Programs 	<ul style="list-style-type: none"> •Mainframe Refactoring •Decision Support Tool •Online Payment Portal •Electronic Document Management System 	<ul style="list-style-type: none"> •Revised Training Material •New Coaching Process •Organizational Change Management •New Performance Measures

Child Support Modernization

Percent of Child Support Cases with a Support Order that Received a Payment



Child Support Amount Collected per Child per Month



Primary Care Graduate Medical Education Expansion

What is Primary Care Graduate Medical Education Expansion?

HSD, through its Graduate Medical Education (GME) Expansion Program, funds new and expanding primary care GME programs and provides technical assistance to the program network. GME is the physician training period after medical school and before independent practice; and research demonstrates 55% of medical residents will stay within 100 miles of their residency program. Building on the [2019 GME Expansion in NM Five-Year Strategic Plan](#), it is anticipated primary care programs will grow from 8 to 13 (63% increase) by 2025.

General Fund and Federal Fund (FY2021, 2022, Difference)

	FY 2021	FY 2022	Difference
General Fund	\$500,000.0 (\$150,000.0 appropriated; \$350,000.0 special appropriation request)	\$500,000.0 (\$150,000.0 appropriated; \$350,000.0 special appropriation request)	\$0.0
Federal Fund	\$0.0	\$0.0	\$0.0
Total	\$500,000.0	\$500,000.0	\$0.0

Financial Benefits to New Mexicans

- Each physician supports \$3,166,901 in output, an average of 17.07 jobs, ~\$1.4 million in total wages and benefits, and \$126,000 in state and local tax revenues.
- Primary care workforce propels growth in other aspects of the healthcare system, generating \$784,752 in billed charges for a hospital and \$241,276 in professional fees for specialty consultants.

Benefits to New Mexicans

- Positive impact on population health because individuals with a primary care physician are healthier, regardless of health status or demographics
- Bridge the gap in physician shortages, which exist across all specialties. NM has the oldest physician population, a shortage of providers particularly in rural and frontier communities, and an on-going need for 100 –200 primary care physicians and a similar number of psychiatrists.

Frequently Asked Questions

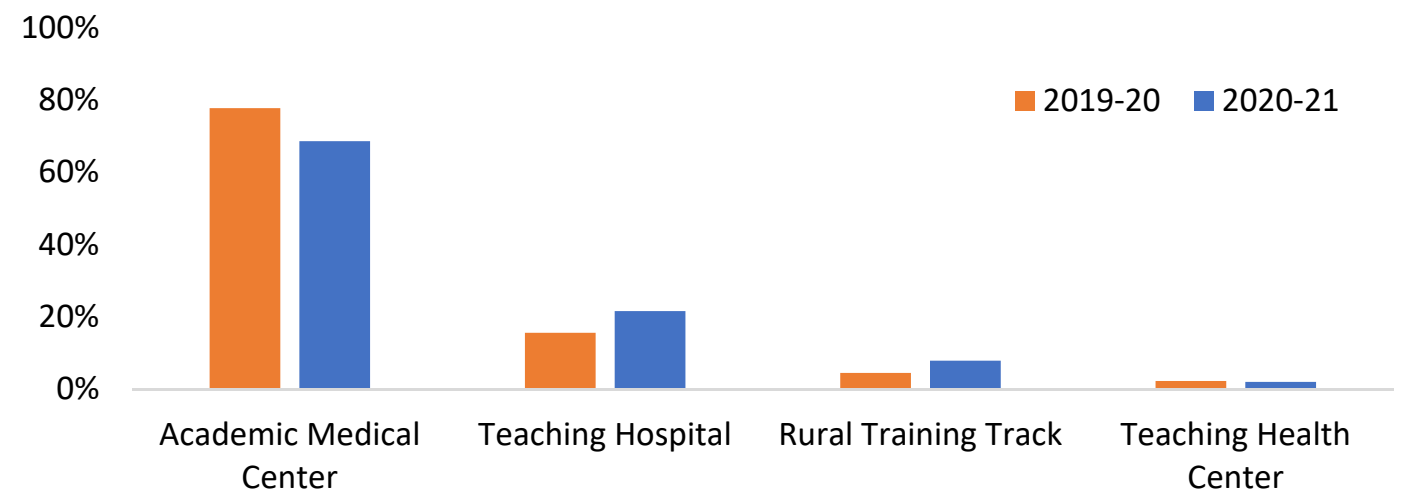
Q. Have any primary care GME programs received funding for expansion support?

- A.** Yes, in FY20 three programs were selected to receive funding, totaling \$1,000,035:
- Burrell College of Osteopathic Medicine (Las Cruces) to add a total of 12 new Family Medicine residency positions. Anticipated date of arrival of first resident: Summer 2021.
 - Memorial Medical Center (Las Cruces) to add a total of 12 new General Psychiatry residency positions. Anticipated date of arrival of first resident: Summer 2022.
 - Rehoboth McKinley Christian Health Care Services (Gallup) to add a total of 12 new General Psychiatry residency positions. Anticipated date of arrival of first resident: Summer 2024.

Q. What is NM doing to recruit and retain primary care residents from New Mexico?

A. As primary care GME programs expand, it is important that a statewide academic network be established to provide staff and financial support to community-based programs. The NM Primary Care Training Consortium is working with the State to provide technical assistance to programs related to student and faculty recruitment and retention, as well as curriculum development. HSD is prioritizing funding programs that commit to actively placing residents in New Mexico upon program competition.

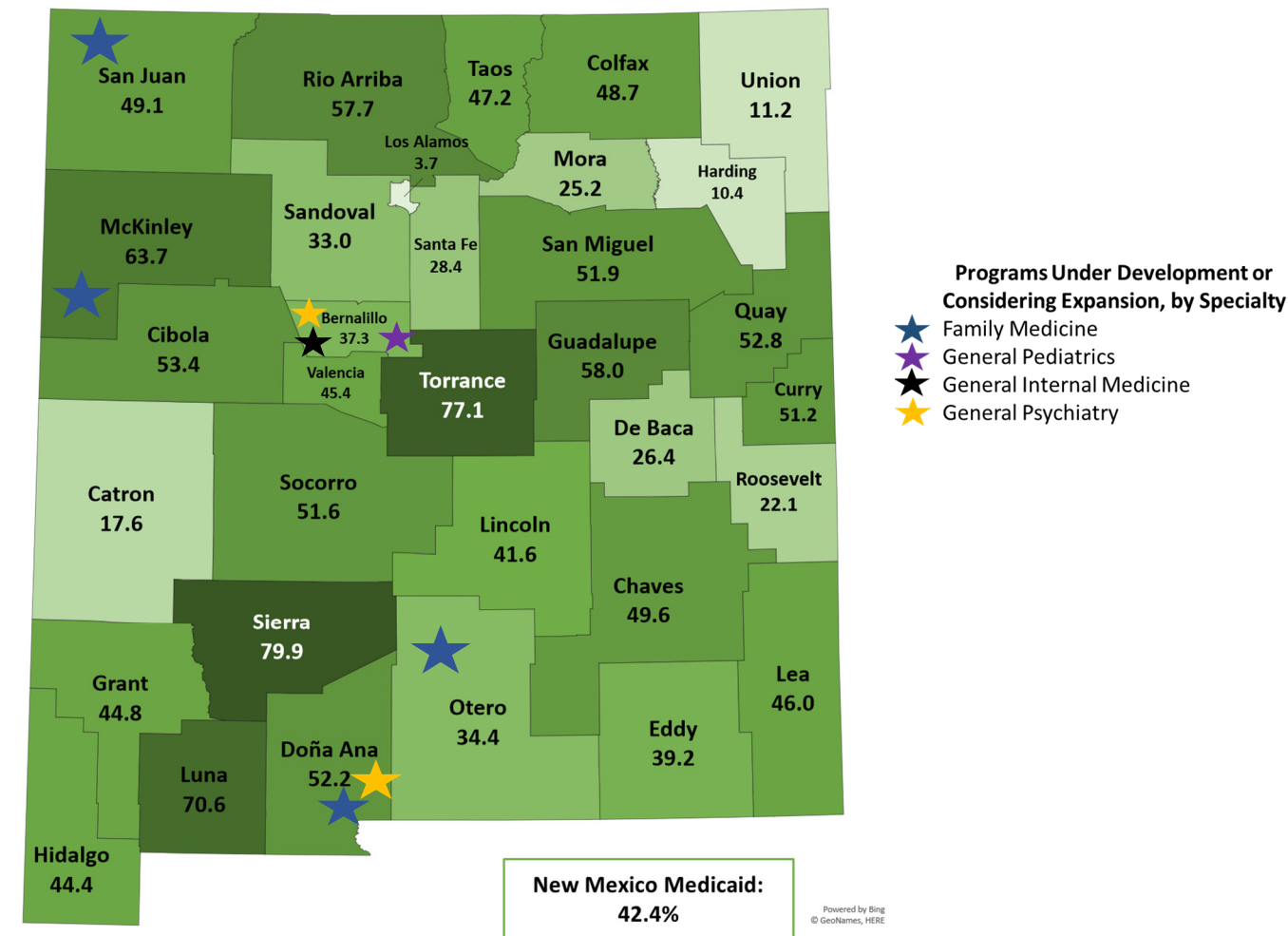
NM Distribution of First-Year Primary Care Residents by Specialty, 2019-20 & 2020-21 Years (%)



Primary Care Graduate Medical Education Expansion

5-year timeline of New or Expanded Primary Care GME Programs in New Mexico								
Number of New First-Year Residents							Total New Residents	New Graduating Resident per Year
Program	FY20	FY21	FY22	FY23	FY24	FY25		
Family Medicine	3	15	15	22	10	10	75	25
General Psychiatry	0	5	11	11	11	6	44	11
General Pediatrics	-	5	5	5	-	-	15	5
General Internal Medicine	-	5	5	5	-	-	15	5
Total Residents per Year	3	30	36	43	21	16	149	46

New and Expanding GME Programs as of November 2020; Medicaid and Children's Health Insurance Program (CHIP) Enrollment as a Percentage of Population by County as of October 2020



Source: New Mexico Human Services Department, Income Support Division. Recipients as of October 2020. U.S. Census Bureau, Population Estimates Program (PEP), Vintage 2019, QuickFacts. Retrieved from <https://www.census.gov/quickfacts>, December 10, 2020.

HHS 2020

What is the HHS 2020?

HHS 2020 is an initiative that contains multiple projects designed to achieve the vision to create a highly responsive and effective health and human services system to improve the health and well-being of all New Mexicans. The Medicaid Management Information System Replacement (MMISR) project, funded with a combination of federal and state funds, provides the technical foundation. MMISR removes barriers to sharing information across public-facing departments (the “enterprise”) and improves the quality of service for those receiving public assistance, their health care providers, and health and human services workers.

General Fund and Federal Fund (FY 2021, 2022, Difference)

	FY 2021	FY 2022	Difference
General Fund	\$4,104,100.0	\$1,208,900.0	(\$2,895,200.0)
Federal Fund	\$36,146,300.0	\$10,812,800.0	(\$25,333,500.0)
Total	\$40,250,400.0	\$12,021,700.0	(\$28,228,700.0)

Financial Benefits to New Mexico

The federal government is paying for 90% of the project. For every dollar spent by New Mexico, an additional \$9 comes from the federal government.

Benefits to New Mexicans

- “One-stop shop” — whether online, on the phone, or in an office, the public will have a single point of contact to access resources and services for any health and human services agency or program.
- Improved efficiency for providers through more streamlined approval, contract, and payment processes.
- Removal of silos around information about customers via a “unified portal,” providing workers across health and human services departments a single resource.
- Improved population health and well-being by moving from a system centered around discrete transactions to one that holistically addresses an individual’s needs

Frequently Asked Questions

Q. What benefit does this project have to policy makers?

A. MMISR increases access to data for multiple stakeholders and allows for a 360-degree view of members, providers, and other entities. It will enable data-driven decision making and provide automated dashboards of key information. Oversight of managed care performance and ability to forecast Medicaid expenditures also will be provided.

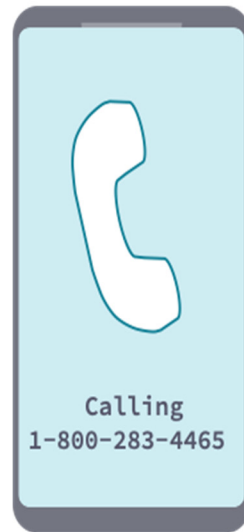
Q. What other agencies are participating in the HHS 2020 MMISR project?

A. In addition to HSD, the sister health agencies—Aging and Long Term Services Department; Children, Youth, and Families Department; Department of Health; Early Childhood Education and Care Department—are all participating in the MMISR project.

Benefits of the Consolidated Customer Service Center

CUSTOMER

A New Mexico resident with a question about her family’s TANF benefits calls the number for the **Consolidated Customer Service Center**. Once she provides her information, the agent realizes that her issue overlaps another program administered by a different department — and answers her question related to that program without transferring the call.



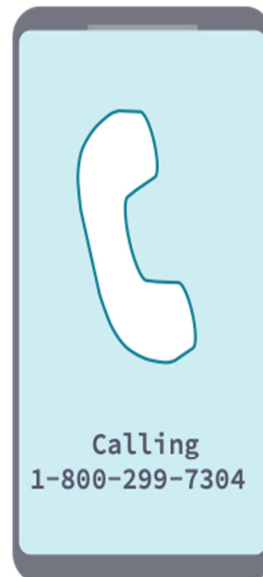
COMMUNITY PARTNER

A case worker who travels around northeastern New Mexico is preparing to help a client with an application late at night. He has a question about a program and uses the chat function at the **Consolidated Customer Service Center** to get an immediate answer, even though it’s after business hours.



PROVIDER

A billing specialist at a hospital in Roswell has a question about how to process some claims she needs to submit. She’s able to call one phone number at the **Consolidated Customer Service Center** to get answers, even though the claims involve several different state programs and departments.



EMPLOYEE

An employee at CSED who handles inquiries often used to have to ask customers to call another number at another department. Because of the automated functions of the **Consolidated Customer Service Center**, they often don’t even need to speak to her, but when they do, she handles all their questions at one time with access to all programs.



HSD IT Investments

What are the HSD IT investments?

HSD makes IT investments in three critical areas:

1. IT infrastructure;
2. IT applications; and,
3. New projects to deliver new capabilities and services to the department's customers and workforce.

Although other parts of HSD are cutting budgets, leadership is not reducing its investment in IT for FY 2022. For FY 2022, HSD has prioritized continued investment in the ASPEN integrated eligibility system to improve delivery of services to New Mexicans at the same level as FY 2021.

General Fund and Federal Fund (FY 2021, 2022, Difference)

	FY 2021	FY 2022	Difference
General Fund	\$ 15,549,500.0	\$ 15,549,500.0	\$ 0.0
Federal Fund	\$ 30,881,600.0	\$ 30,881,600.0	\$ 0.0
Total	\$46,431,100.0	\$46,431,100.0	\$0.0

Financial Benefits to New Mexico

Investments in ASPEN lower operating costs for HSD. An example of this return on investment is the implementation of real time eligibility for Medicaid applications. Medicaid real time eligibility resulted in 29,673 applications being processed without worker action from January 1, 2020 through August 2, 2020.

Utilizing the average time of data entry for processing of Medicaid applications, Medicaid real time eligibility saved an estimated 41,794 hours of staff time during the same period. This savings equates to \$2,032,864 and is equivalent to 38 staff positions.

Benefits to New Mexicans

Investments in the ASPEN system provide direct support to New Mexicans during the COVID-19 pandemic. For example, current investments resulted in HSD issuing \$124,442,274 of supplemental SNAP benefits for 182,316 SNAP households. Pandemic Electronic Benefits totaled \$151,448,366, supporting 285,471 children.

Frequently Asked Questions

Q. What does IT cost per customer served by HSD's programs in New Mexico?

A. The total cost per customer served by HSD is about \$44 (estimated by dividing the total amount of the ITD's operating budget by the number of customers served by HSD in a given state fiscal year).

Q. For every dollar spent on IT, how much is covered by federal funds?

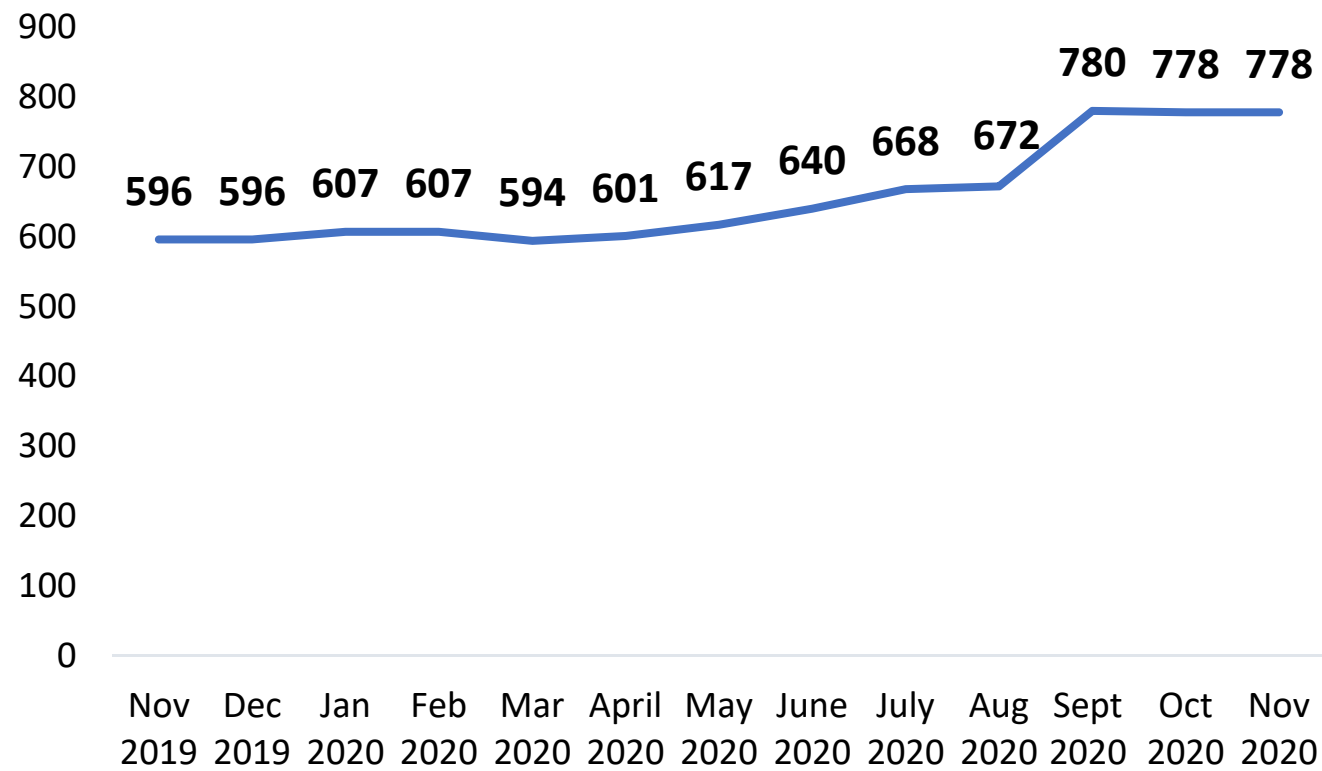
A. HSD receives a federal match for most IT investments the Department makes. For every dollar spent within the IT operating budget, \$0.665 is covered by federal funds. Federal match varies based on the program or system though. For example, the ASPEN system has a federal match rate of 67.2%.

Q. Why are IT investments needed?

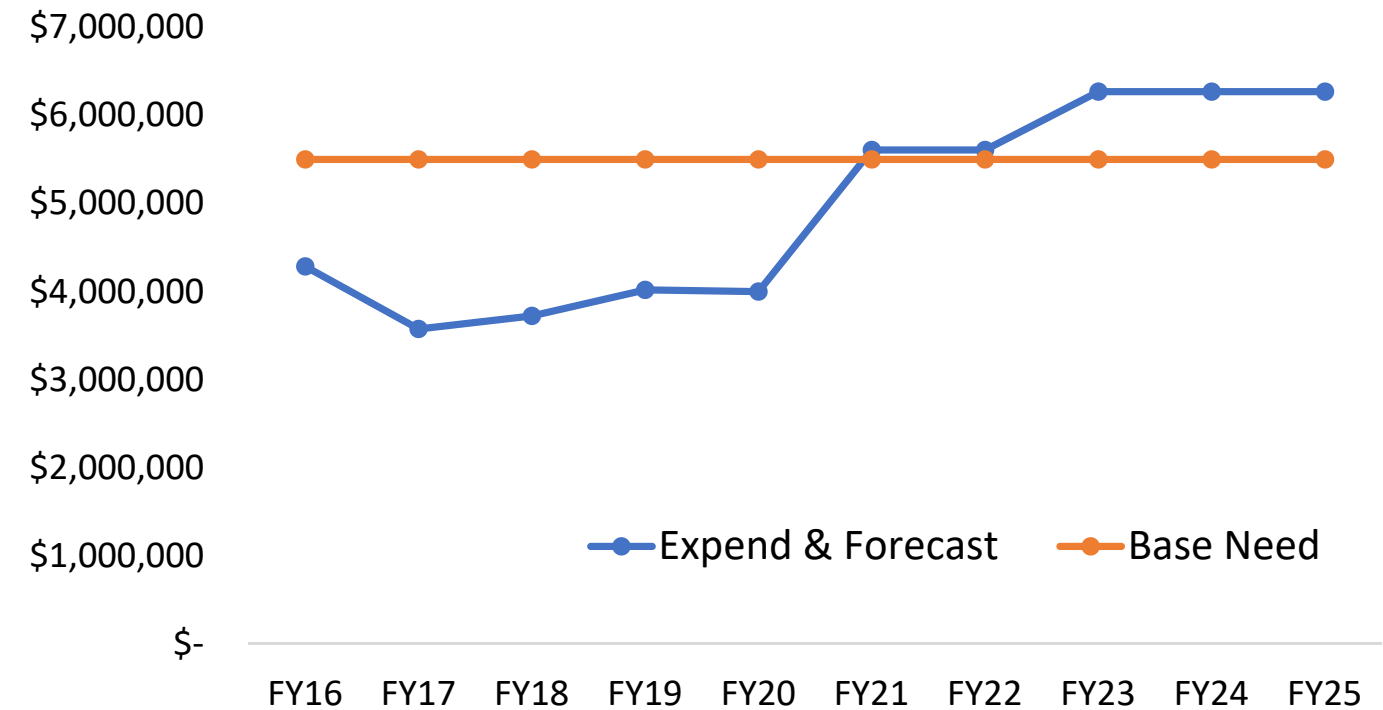
A. IT Investments support an increased demand for services and enables increased enrollment in HSD's programs. From January 2020-November 2020, HSD approved 114,906 new SNAP applications and 75,835 new Medicaid applications. Since March 1, 2020, the department has seen a 20% increase in the number of people accessing the department's online YES NM portal to apply for benefits and services. Continued and increased investment in IT systems support this increased demand.

HSD IT Investments

RiskSense Security Score



ASPEN Maintenance and Operations Expenditures and Need (General Fund Only)



New Mexico Medicaid Program Budget

What is the New Mexico Medicaid Program Budget?

Medicaid is a jointly-administered federal and state health insurance program for eligible lower-income individuals and certain people with disabilities. The projected FY22 budget for NM Medicaid is \$7.2 billion based on data through September 2020. Factors that increase Medicaid program costs include:

- Increased Medicaid and Children Health Insurance Program (CHIP) enrollment:
 - Baseline projection assumes Federal Government ends Public Health Emergency (PHE) January 2021. Section 6008 of the Families First Coronavirus Response Act (FFCRA) requires that the State follows a 'maintenance of effort' (MOE) to sustain coverage to qualified enrollees through the duration of the PHE. Thereafter, a gradual disenrollment is expected.
 - Alternatively, if the PHE remains through March 2021, enrollment is projected to surpass 900,000 individuals in quarter one of CY 2021. The Medicaid-CHIP enrollment is projected to remain above 918,000 members through at least June 2021. If the PHE continues into FY 2022, then the FY 2022 budget would exceed the baseline projection of \$7.2 billion. The incremental expenditures from following the PHE order would be compensated by further extensions of the 6.2% increased FMAP, posing no additional fiscal risk to the General Fund.
- Increased medical service unit costs and increased utilization of services in the wake of the COVID-19 public health emergency.
- Gradual disenrollment resulting from removal of MOE requirements.
- Modest economic recovery from PHE, resulting in some disenrollment.
- Legislature enabled changes to align provider rates with costs after years of inadequate payment.

General Fund and Federal Fund (FY 2021, 2022, Difference) (\$000s)

	FY 2021	FY 2022	Difference
Federal Revenues	\$5,979	\$5,657	-\$322
State Revenues	\$1,343	\$1,558	\$215
Other Revenues	\$14	\$17	\$3

Due to the PHE, NM receives a 6.2% increased federal medical assistance percentage (FMAP), as authorized by the FFCRA (effective January 1, 2020). For the State to receive the 6.2% point increased FMAP through the duration of the PHE, the State must follow the MOE requirements in the FFCRA. The increased FMAP brought in an estimated \$138.6 million additional federal dollars to NM in FY 2020 (two quarters) and a projected \$217.5 million in FY 2021 (three quarters). The additional federal funds correspond to a higher proportion of Medicaid-CHIP expenditures covered by federal dollars in FY 2021 relative to FY 2022 (shown on figure below). If the Federal Government declares the end of the PHE on January 21, 2021 then the increased FMAP would expire at the end of March 2021. Based on the current PHE order, the projected budget of \$7.2 billion for FY 2022 will have a General Fund shortfall of \$162 million without an increase in the FMAP.

General Fund Impact From 6.2% FMAP Increase

FY20 6.2% FMAP Impact by Program (\$000s)		FY21 6.2% FMAP Impact by Program (\$000s)	
Fee for Service	14,933.8	Fee for Service	20,575.3
DOH Waivers	15,301.9	DOH Waivers	21,576.6
CC - Physical Health	49,877.5	CC - Physical Health	85,957.7
CC - LTSS	38,090.9	CC - LTSS	63,207.4
CC - Behavioral Health	11,428.5	CC - Behavioral Health	19,763.6
CC- Health Insurance Providers		CC- Health Insurance Providers	
Fee	2,945.0	Fee	-
Medicare	3,953.6	Medicare	6,407.3
Others	2,082.1	Others	3,497.7
Total Medicaid	138,612.8	Total Medicaid	217,487.9

Financial Benefits to New Mexico

- Medicaid reduces uncompensated care costs experienced by healthcare providers.
- Medicaid is a primary source of revenue to healthcare providers in NM.
- Taxes and assessments paid through Medicaid provide revenues to:
 - New Mexico's health insurance exchange;
 - New Mexico's high-risk insurance pool; and,
 - Access-to-care through programs such as PACE and Project ECHO.

Benefits to New Mexicans

The Medicaid program currently provides coverage to 43% of the State's population and 58% of children in NM. Consequently, the Medicaid program plays a critical role in reducing out-of-pocket medical costs across households, and moderating uncompensated care costs experienced by healthcare providers.

New Mexico Medicaid Program Budget

Frequently Asked Questions

Q. What are the projected enrollment trends in the Medicaid-CHIP program?

A. As of October 2020, the total Medicaid-CHIP enrollment is 889,886, of which 373,190 are children (individuals under 21 years old), and 87,711 receive partial benefits. Full benefit individuals are required to enroll in managed care, except Native Americans who can opt-in; individuals needing long term care services and support must enroll in managed care.

The average monthly managed care enrollment is 741,436 members in FY 2021 and projected to be 713,583 in FY 2022, a decrease of 3.8% from FY 2021. The projected enrollments by program in FY 2022 are 422,927 members in the Physical Health program (2.6% below FY 2021); 239,451 members in the Other Adult Group Physical Health program (6.7% below FY 2021); and 51,204 members in the Long Term Services and Supports (LTSS) program (1.6% above FY 2021). All managed care members are enrolled in the Behavioral Health program. Despite the downward enrollment trend from FY 2021 to FY 2022, the projected enrollment for June 2022 remains 32,269 members above the March 2020 level of 680,237.

Q. How has the COVID-19 pandemic impacted the Medicaid and CHIP programs?

A. The COVID-19 pandemic disrupted the delivery of health care services throughout New Mexico’s healthcare system. In accordance with federal guidelines, HSD implemented various initiatives focusing on the effects of COVID-19, such as delaying non-critical medical care. The Medicaid and CHIP programs have been impacted in the following ways:

- Increased medical expenses associated with acute and long-term care of Medicaid populations. Specifically, additional personal protective equipment needs, additional cleaning and protection needs, and significant staffing challenges.
- Testing, treatment, and vaccine administration are unanticipated expenses significantly impacting the Medicaid budget.
- Delayed costs from pent-up demand as a result of necessary public health orders and fear of exposure.
- Increased unemployment has resulted in significant Medicaid enrollment. Medicaid enrollment typically grows at a rate of .1% per month but since April 2020 has grown on average by 1.5% per month.

The PHE along with the MOE contributed to a high rate of enrollment growth in Medicaid between March 2020 and March 2021. The Pre and Post COVID Enrollment Projections Figure (below) illustrates the Medicaid-CHIP enrollment growth from 837,353 in March 2020 to 901,005 by November 2020, an addition of 65,000 low-income children and adults. Gradual reductions in enrollment during CY 2021 are contingent on the expiration of the PHE and improvement in economic conditions.

If the PHE expires on January 21, 2021 the MOE will no longer be in effect. Consequently, a gradual enrollment decline is projected to begin in April 2021, involving individuals who fail to recertify their eligibility for Medicaid coverage. Losses in Medicaid coverage are expected to be offset by the gradual recovery of employer-based coverage under improved economic conditions. However, if the PHE persists beyond March 2021, then the projected enrollment level of 918,000 (March, 2021) will be sustained through FY 2022.

Pre and Post COVID Enrollment Projections

	December 2019 (Pre COVID)	September 2020 projection	September 2020 projection (Cont MOE)
Mar-20	837,043	837,353	837,353
Sep-20	841,770	891,192	891,192
Mar-21	846,348	917,912	917,912
Jun-21	848,806	875,795	935,912
Jun-22	856,606	860,596	861,296

Telehealth

What is telehealth?

Telehealth refers to healthcare services that are delivered remotely, like virtual doctor's visits or pharmacy information. Throughout NM telehealth is growing in popularity – with beneficiaries accessing physical and behavioral healthcare services using telecommunications technologies.

Telehealth can serve as a substitute for in-person healthcare, avoiding inconveniences and costs in receiving care. Telehealth can also act as a complement to in-person healthcare, improving healthcare outcomes. Accordingly, telehealth is an essential resource in the NM Medicaid program, providing a valuable option in the delivery of care.

Telehealth has been a critical component of the State's response during the COVID-19 pandemic. In mid-March, HSD authorized billing for expanded telehealth, allowing beneficiaries to safely access many physical health services and most behavioral health services, thus supporting providers around the state in maintaining service delivery.

General Fund and Federal Fund

The General and Federal funding of telehealth services applies the same federal matching formulas as in-person service delivery. The financial implications for the Medicaid program are under study, as access to these services expands across the Medicaid-covered provider network.

Financial Benefits to New Mexico

Financial benefits from telehealth accrue to service providers and individuals seeking services. Managed Care Organizations (MCOs) also benefit from network economies in delivering services to their members. While the monetary value to the NM Medicaid program is under study, national studies tend to find cost-savings from telehealth over a non-telehealth alternative. Specifically, Wade et al. (2010) reviewed economic literature covering 36 studies, finding cost-savings from telehealth in 22 studies compared to cost-increases in 11 studies, and mixed results in the 3 remaining studies. Benefits from timely healthcare and improved well-being are most widely reported in a rural-outpatient setting.

Benefits to New Mexicans

This year the COVID-19 pandemic clarified the value of telemedicine options, motivating the Centers for Medicare and Medicaid Services (CMS) to expand virtual services (Brandon, 2020). Telehealth options were promptly implemented by New Mexico's Medicaid program, which reimbursed providers for delivery of remote services.

Telehealth appears to bring positive outcomes for both behavioral health providers and their clients. Providers report fewer appointment no-shows and cancellations, and potentially better outcomes as many clients appear more relaxed and able to engage in therapy when they are in their own homes. Clients avoided the cost and inconvenience of driving potentially long distances, and providers worked safely from home or scaled-down office settings.

Frequently Asked Questions

Q. What Services are well-suited for telehealth?

A. Visits that don't require in person examinations or diagnostic testing can easily be transitioned to telemedicine. Follow-up visits, new patient visits that don't require detailed physical exams or diagnostic tests, and behavioral health visits are a few examples of well-suited services.

Q. Is telehealth suitable in providing Behavioral Health services?

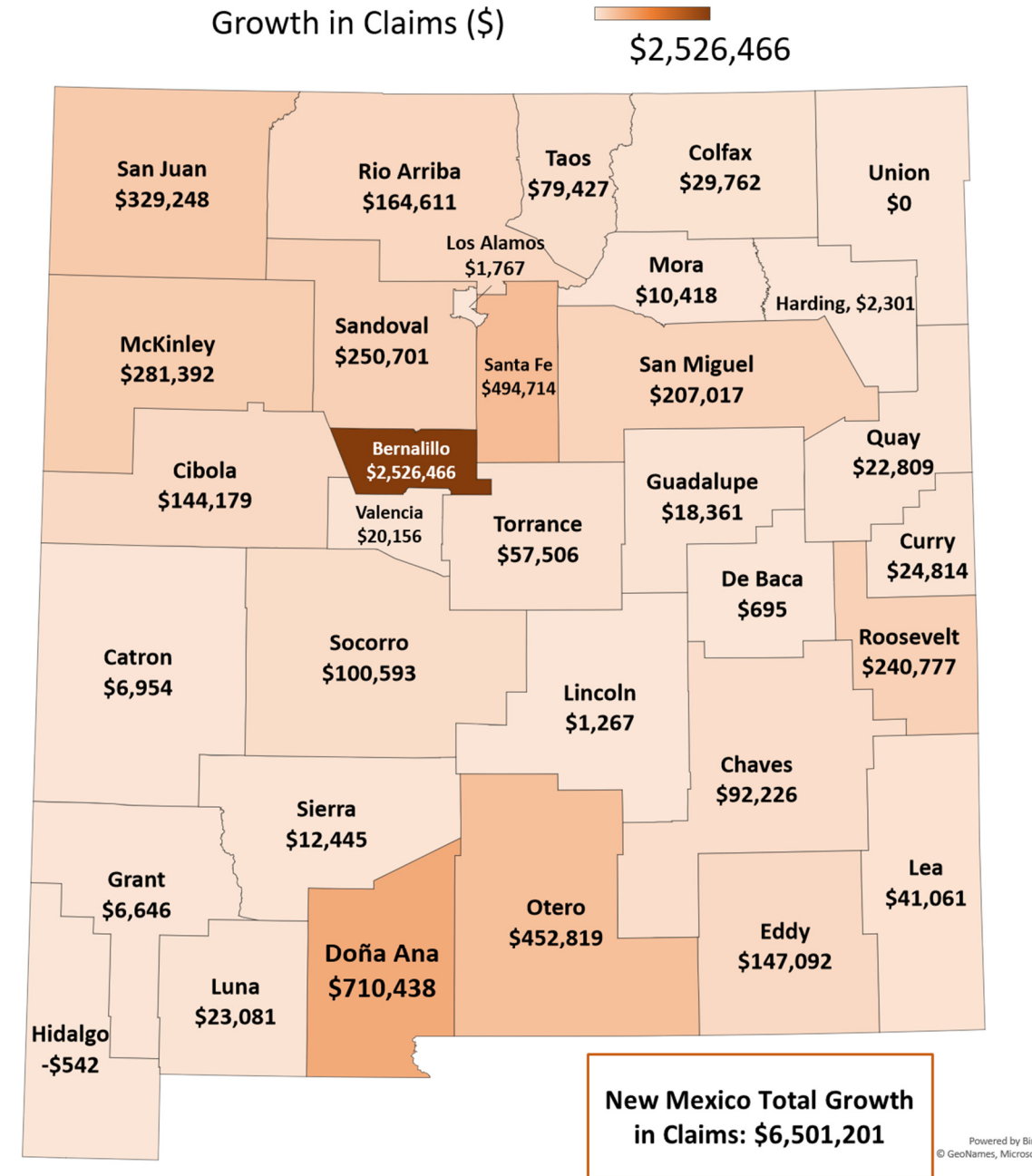
A. Depending on a client's unique circumstances, many behavioral health services are well-suited for telehealth. A wide range of individual, family, and group therapies – including those focusing on substance abuse disorder – can be successfully delivered via telehealth. Telehealth visits can often support services involving an initial or periodic physical face-to-face examination.

Q. How has telehealth helped maintain healthcare services during the COVID-19 pandemic?

A. A preliminary review examined the change in telehealth between the first and second quarters of calendar year 2020. This comparison is illustrated in Figures 1 and 2 below. Based on preliminary data, HSD observed an increase of 61,492 telehealth claims, reflecting a 300% increase. Synchronously, the average volume of total healthcare claims dropped 275,000 per month. Consequently, telehealth was instrumental in maintaining service delivery.

Telehealth

Growth in Telehealth Claims: CY20 Q1 to CY20 Q2 (Increased Amount Paid)



Source: New Mexico Human Services Department, Medicaid data analysis.

Reference:

Wade, V. A., Karnon, J., Elshaug, A. G., & Hiller, J. E. (2010). A systematic review of economic analyses of telehealth services using real time video communication. *BMC Health Services Research*, 10(1), 233. <https://doi.org/10.1186/1472-6963-10-233>