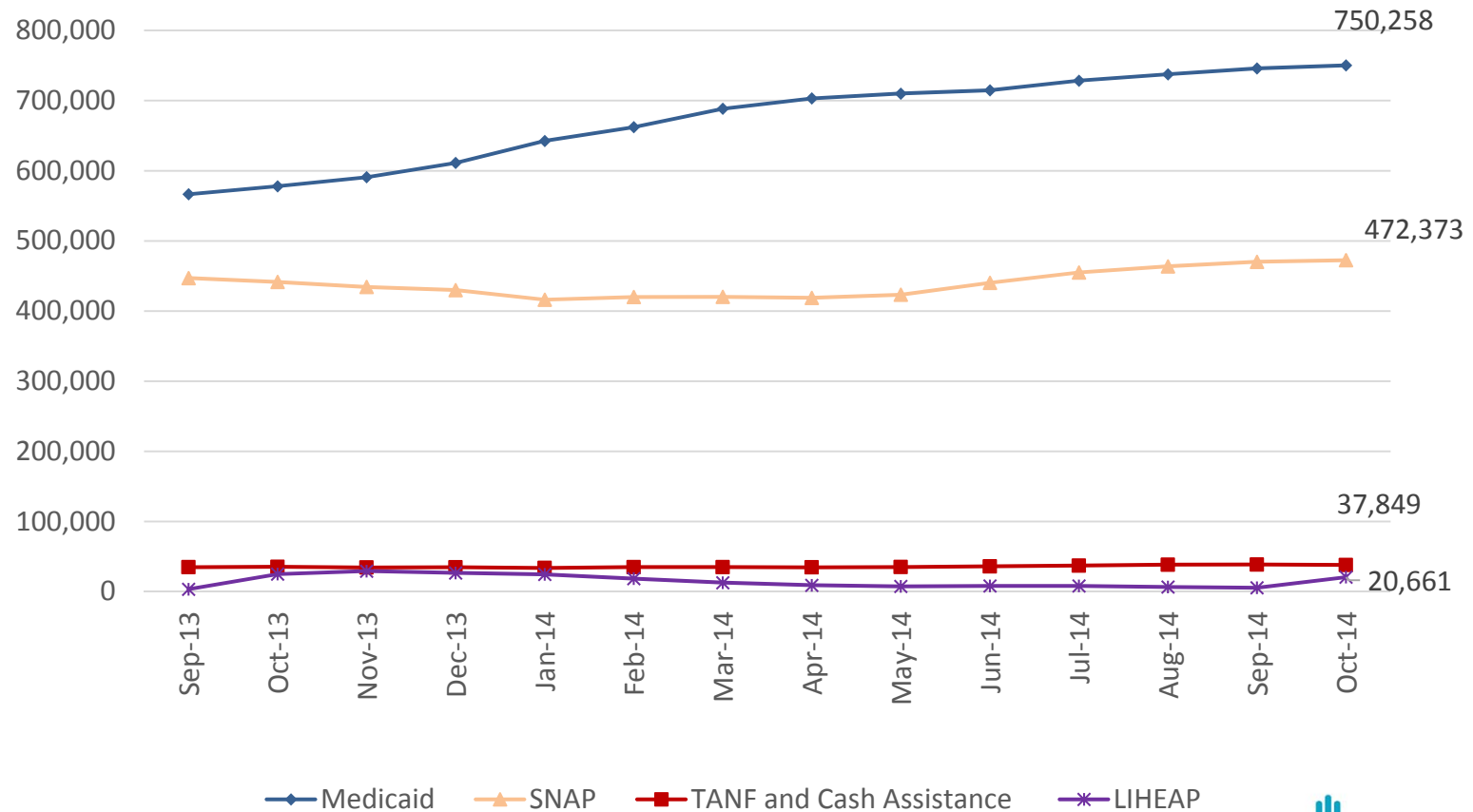




Presentation to the
Senate Finance Committee
Brent Earnest, Secretary-Designate, HSD
February 2, 2015



Income Support Division: Status of Enrollment



Income Support Division: Supplemental Nutrition Assistance Program (SNAP)

- SNAP provides assistance for the purchase of food to eligible, low-income residents of New Mexico.
- Households with a gross income of less than 165% of FPL are eligible:
 - \$1,580/month for individuals
 - \$3,239/month for a family of four
- The maximum monthly allotment is:
 - \$189 for an individual
 - \$632 for a family of four
- During SFY14, NM received more than \$636 million from the federal government for SNAP.
- 454,997 people are on SNAP in NM:
 - 249,711 adults
 - 205,286 children
- Monthly Statistical Reports posted at <http://www.hsd.state.nm.us/monthly-statistical-reports.aspx>

Income Support Division: Temporary Assistance to Needy Families (TANF)

- Recurring budget recommendation for FY 16 TANF programs is \$122.2 million, including work and support services, cash benefits, and administration. The components of this include:
 - \$53.5 million for cash assistance (including the clothing allowance), about \$3.1 million less than budgeted in FY 15. TANF enrollment in New Mexico, as well as nationally, has decreased from the historical highs during the recession.
 - \$57.1 million for support services and other agency programs.
 - \$4.7 million for Career Links, a subsidized employment program that puts work-ready TANF recipients into jobs; serve an additional 420
 - \$1.7 million for the substance abuse referral program, known as ICare
 - \$1.5 million in TANF funding to develop a Child Support Pilot Project, in conjunction with HSD's Child Support Enforcement Division, to help non-custodial parents overcome their barriers to paying child support
 - \$10.45 million for TANF work support programs
 - \$38.8 million for child care, Pre-K, and homevisiting programs, many of which were included in the Legislature's budget recommendation for FY15

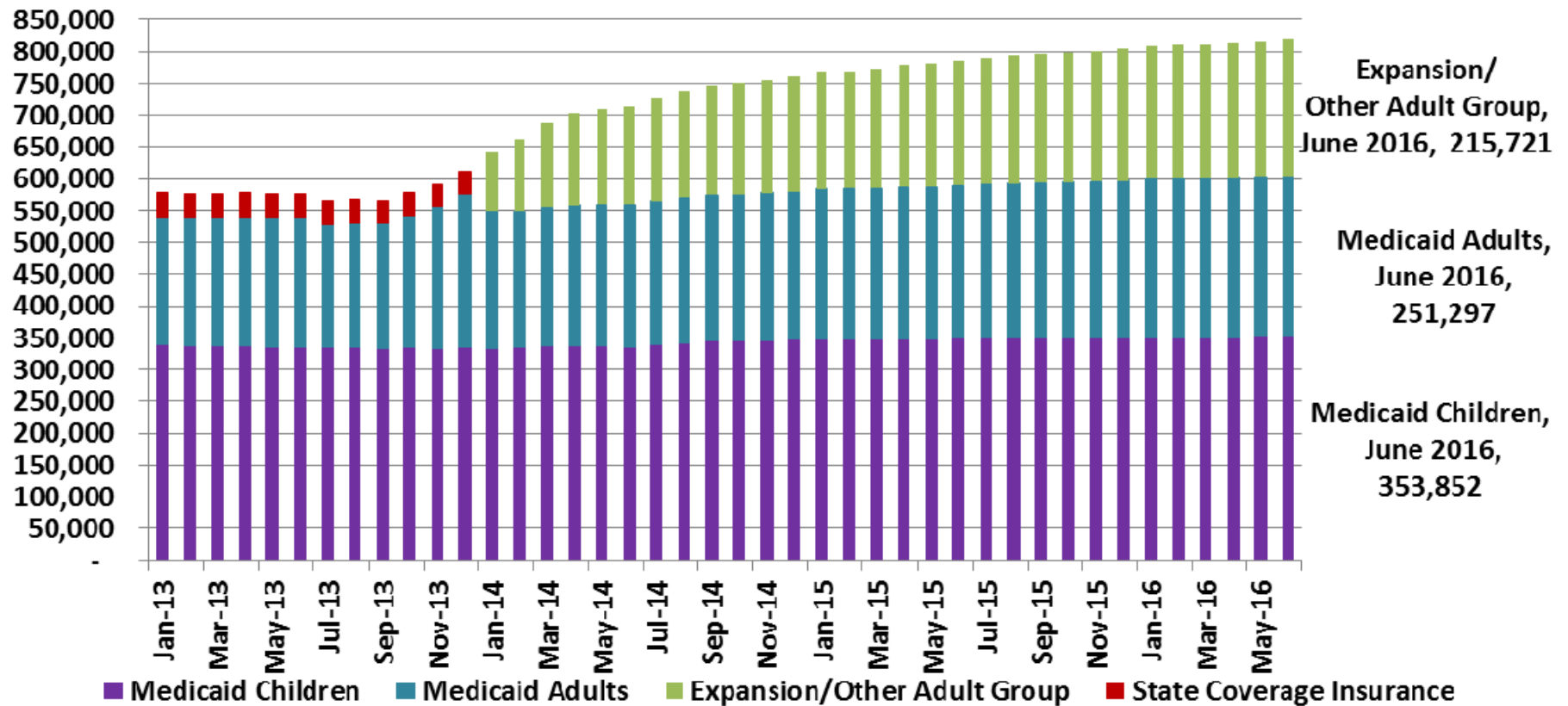
Income Support Division: Other Programs

- The General Assistance program provides limited state-funded cash assistance to disabled adults (without dependent children) and to children living with unrelated caretakers (approximately \$9.4M from the General Fund assists 3,219 New Mexicans).
- The Low Income Home Energy Assistance Program assists people with their heating or cooling costs as well as weatherization services (approximately \$10.4M in federal funds assists 73,610 households).
- The Food Distribution Program provides USDA food commodities to schools and food banks statewide
- Funding for Homeless Shelters in New Mexico (\$730,000 from the General Fund)
- The Homeless Meals Program provides hot meals to families throughout New Mexico (\$193,500 from the General Fund)
- SNAP-Ed is nutrition education offered to SNAP eligible recipients. In 2014, SNAP-Ed reached approximately 333,154, mostly through school programs such as “Cooking with Kids”

Income Support Division: Progress

- On September 29, 2014, the federal Food and Nutrition Services announced that New Mexico was one of six states receiving an award for our SNAP timeliness rate of 98.65% for federal fiscal year 2013.
- Currently, ISD is processing complete applications in two to ten days. The application backlog has been cleared, including keeping pace with this year's Federally interfaced applications.
- The Customer Service Center intake has been expanded and improved to ensure incoming calls are resolved through a more positive telephone experience. Individuals are interviewed upon contact and do not have to wait for a call back.
- SL Start, HSD's NM Works contractor, has over 100 job and community service sites, and allows for recipients to propose their own plans with SL Start oversight.

Medical Assistance Division: Medicaid Enrollment



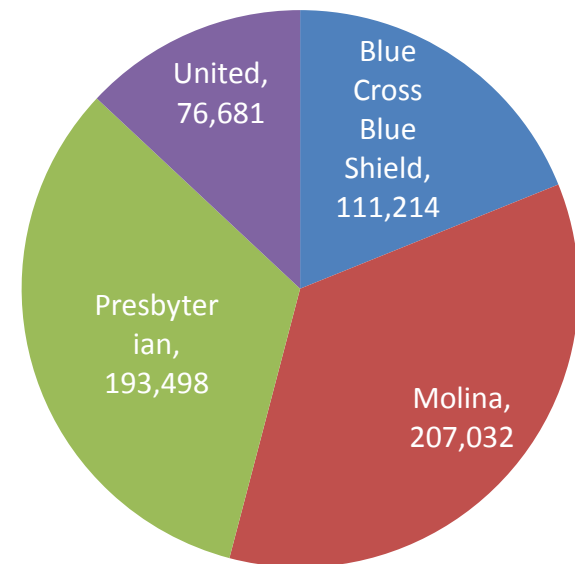
Notes:

- 1.Data is from the November 2014 Medicaid enrollment projection.
- 2.Medicaid Children include all the Medicaid enrollees under the age 21 except the Other Adult Group enrollees. Children’s Medicaid Eligibility Reports include all enrollees under the age of 21.
- 3.Medicaid Adults include the Specified Low Income Medicare Beneficiaries (SLIMBs) & Qualified Individuals 1 (QI1s).
- 4.The four population categories are exclusive.

Centennial Care Update

- The Centennial Care program is completing its first year.
- More than 265,000 recipients have had a health risk assessment and 54,600 are receiving care coordination.
- Payment reform and performance initiatives moving New Mexico toward purchasing value and quality rather than quantity; leading to improvements in population health and cost effectiveness
- A cohesive system designed to improve health and reduce long term cost growth.

**Centennial Care
Enrollment = 586,349**

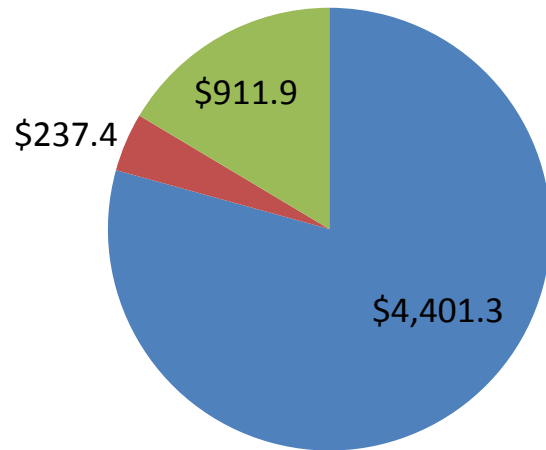


Centennial Care: Initiatives in Development

- Creation of health homes, in collaboration with Core Service Agencies, targeted to members with behavioral health conditions;
- Provider payment reform projects;
- Expanding access to care by maximizing scopes of practice for certain provider types;
- Increased utilization of community health workers
- Pilot project with Bernalillo County to assist jail-involved with access to care immediately following release.

Medical Assistance Division: FY 16 Budget

**FY16 Medicaid Budget:
\$5.55 Billion**



- Federal Funds
- Other State Revenue
- General Fund

- Enrollment continues to exceed projections
 - Almost 20,000 more (non-expansion) adults
 - About 30,000 more new (expansion) adults in the program
- Higher FMAP rates bring more federal funds (if maintained)
- Shifts in other state revenue sources, e.g., counties and drug rebates, impact general fund
- New drug treatments, especially for Hepatitis C, add significant costs

Medical Assistance Division: Administration

- The FY 16 budget recommendation for administration of the Medicaid program is \$79.5 million, including \$15.1 million from the general fund. This is an increase of \$1.5 million from the general fund to meet some key objectives:
 - Developing risk-adjusted capitation rates, which further remove incentives for MCOs to seek only the healthiest enrollees.
 - Desk and field audits of the MCOs financial data.
 - Developing new payment methodologies, including a nursing home rate structure that better reflects the health care needs of nursing facility residents.
- These improvements will help us ensure the taxpayer's money is being used properly to give New Mexicans the best health care and health outcomes.
- Medical Assistance Division administrative spending is only 1.4% of the total program budget.

Safety Net Care Pool Update

- Safety Net Care Pool (SNCP) replaced the county-funded Sole Community Provider and Upper Payment Limit Programs.
- SNCP funded by counties (~\$25.5M), UNMH (~\$14.7M) and state general fund (\$9M)
 - Payments for Uncompensated Care and Quality Improvement Initiatives
 - Higher Inpatient Rates
- Total payments estimated to be about \$240 million
- County support remains critical to funding these hospital payments.