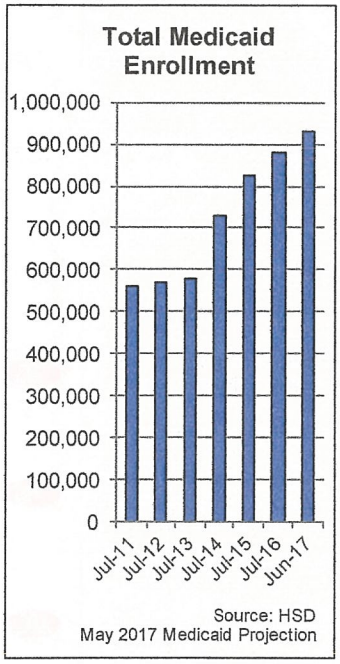
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2017

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

HSD's quarterly performance report includes comments on each performance measure providing background and status information.



In FY18, the Medical Assistance Program is directed to pursue federal authority to establish a Medicaid-funded home-visiting program in collaboration with CYFD and DOH that will align home-visiting programs, avoid service duplication, and leverage general fund appropriations.

Human Services Department

The department increased service requirements for managed care organizations in an effort to improve outcomes in areas including well-child visits and reduced emergency room use, but the new focus has yet to result in measureable system-wide improvement. Due to lag times in reporting and other data challenges, HSD intends to report on several measures annually and does not provide quarterly information.

Investigations and compliance issues continue to impact the department. The department requested a $1.9 million special appropriation and was appropriated $1.2 million to support attorneys' fees, HSD compliance efforts, special master costs, and other costs associated with the Deborah Hatten-Gonzales consent decree. The consent decree mandates HSD comply with state and federal requirements, as well as the provisions of the decree itself, pertaining to the administration of the Supplemental Nutrition Assistance Program (SNAP) and Medicaid program.

Medical Assistance Division

Measures for individuals with diabetes who were tested during the year and emergency room visits per one thousand member months are on pace to miss targets, but are in line with FY16 actual results. HSD notes in addition to health risk assessments associated with care coordination, managed care organizations (MCO) have implemented performance improvement projects to improve diabetes screenings and develop a prescribed plan focused on interventions.

Dental visits and hospital readmissions, while missing targets, are trending above FY16. For FY17, the program added three new measures, including number of managed care members enrolled in a patient-centered medical home (PCMH), in which a team of individuals collectively take responsibility for the ongoing care of patients using a coordinated, "whole person" approach. HSD requires MCOs to develop PCMH models of care that include standards for access, evidence-based medicine, quality improvement, and data management.

HSD has not reported on measures for well-child visits or prenatal care, indicating the data is only available annually due to provider reporting lag times; consequently, those measures received a red rating. HSD noted it incorporated well-child measures into MCO contract amendments as "tracking measures" effective July 1, 2016, to ensure MCOs focus on improving well-child visit outcomes.

Regarding prenatal care, MCOs provide incentives for patients to access prenatal care through the Centennial Care Member Rewards program which HSD reports has a 72 percent participation rate, in addition to incorporating quality improvement plans with a focus on the timeliness of prenatal care. HSD notes prenatal visit data is more difficult to capture since the visits are often bundled with other pregnancy-related care when claims are submitted. LFC staff is working with HSD to clarify how to provide updates for annual measures on a quarterly basis.

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PERFORMANCE REPORT CARD

Human Services Department
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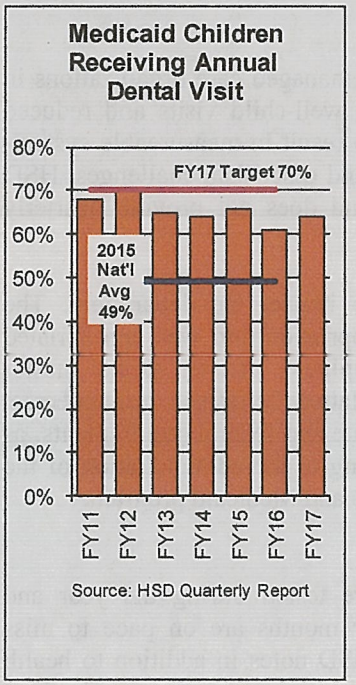


MCOs are implementing performance improvement projects to encourage members to receive at least one dental visit annually. Centennial Care Member Rewards incentivizes members who receive annual dental visits by awarding them points. Some MCOs also use preventative interventions such as targeting members with low utilization through mailings of a member newsletter and posting website articles.

New Mexico is among the worst states at testing children for lead poisoning. Nationwide, 64 percent of lead-poisoned children under the age of five are identified by testing; in New Mexico, that number is five percent.

HSD's HEDIS measures for 2015 show Molina screened 32 percent of Medicaid-eligible children for lead, Blue Cross Blue Shield screened 31 percent, United Healthcare screened 30 percent, and Presbyterian screened 28 percent.

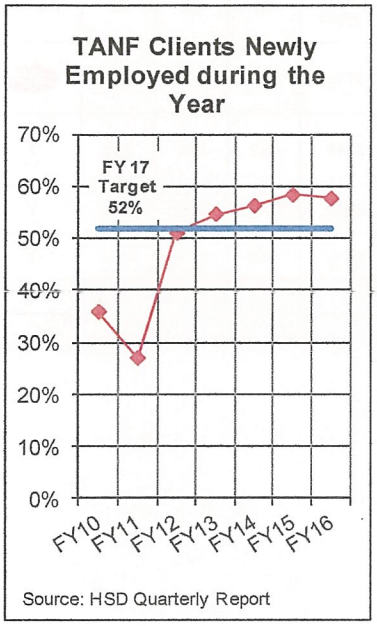
Medical Assistance		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3**	Rating
Budget: $5,314,236.5	FTE: 184.5							
1	Children ages two to twenty-one enrolled in Medicaid managed care who had at least one dental visit during the measurement year	66%	61%	70%	65%	65%	64%	Y
2	Individuals in Medicaid managed care ages eighteen through seventy-five with diabetes (type 1 or type 2) who had a HbA1c test during the measurement year*	84%	58%	86%	58%	60%	60%	R
3	Emergency room visits per one thousand Medicaid member months	51	47	39	46	46	46	Y
4	Hospital readmissions for children ages two to seventeen within thirty days of discharge	7%	8%	6%	7%	7%	7%	Y
5	Hospital readmissions for adults eighteen and over, within thirty days of discharge	13%	13%	9%	11%	11%	11%	R
6	Justice-involved individuals determined eligible for Medicaid prior to release	NEW	NEW	500	1,089	1,492	1,571	G
7	Rate of short-term complication admissions for Medicaid managed care members with diabetes, per one hundred thousand member months	NEW	NEW	500	256	276	157	G
8	Medicaid managed care members enrolled in a patient centered medical home, in thousands	NEW	NEW	215	288	284	296	G
9	Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during the first fifteen months	49%	43%	68%	No Report	No Report	No Report	R
10	Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year	91%	89%	92%	No Report	No Report	No Report	R
11	Newborns with Medicaid coverage whose mothers received a prenatal care visit in the first trimester or within forty-two days of enrollment in the managed care organization	71%	71%	85%	No Report	No Report	No Report	R
Program Rating		Y	R					Y

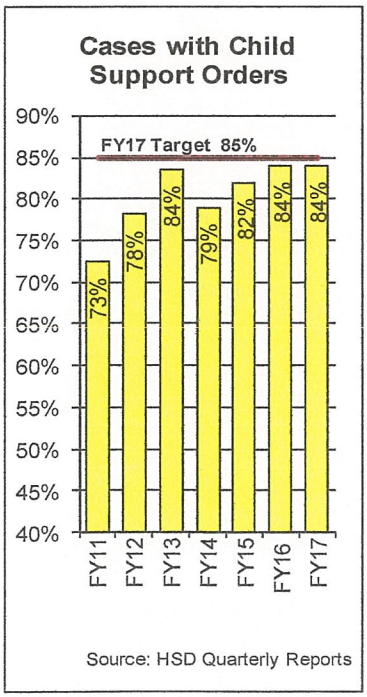
*Final calendar year 2016 data audited by National Committee for Quality Assurance (NCQA) using administrative claims data and medical records. **Quarterly results are based on a rolling 12-month average of encounter data submitted through March 31, 2017. Results are preliminary and likely underreported.

The table below provides per capita (per member per month) data for FY14 through FY16 on costs for various services provided under the Medicaid program.

Medicaid Service Categories	Per Capita Medical Costs (PMPM)			Percentage Change		
	2014	2015	2016	2015/2014	2016/2015	2016/2014
Acute Inpatient	$97.54	$90.71	$91.25	-7.0%	0.6%	-3.3%
Outpatient/Physician	$89.84	$92.29	$95.56	2.7%	3.5%	3.1%
Nursing Facility	$33.21	$28.40	$26.37	-14.5%	-7.1%	-10.9%
Community Benefit	$49.55	$47.85	$48.75	-3.4%	1.9%	-0.8%
Other Services	$84.55	$93.74	$91.91	10.9%	-2.0%	4.3%
Behavioral Health	$32.81	$32.96	$32.39	0.4%	-1.7%	-0.6%
Pharmacy	$36.84	$42.99	$49.43	16.7%	15.0%	15.8%
Total	**$424.34**	**$428.94**	**$435.66**	**1.1%**	**1.6%**	**1.3%**

PERFORMANCE REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2017





Income Support Division

Participation rates for families meeting temporary assistance for needy families (TANF) work requirements declined in the second quarter and were not reported in the third quarter. The program increased monitoring of its New Mexico Works (NMW) service provider and provided training to its employees on working with individuals with multiple barriers to employment and implemented dedicated teams to follow-up with clients with daily phone calls, letters, and home and site visits as appropriate. The department expects to see additional improvement in TANF-related measures, particularly for individuals who become newly employed during the year, due to increased participation in Career Links and the Wage Subsidy program which were expanded for FY17.

In November 2016, a federal judge appointed a special master to provide objective assistance to the department to come into compliance with federal and state requirements and court orders for administration of SNAP and Medicaid benefits. The program reports it expects a drop in timeliness of expedited cases meeting federal requirements as it processes pending applications and re-certifications that were impacted by a federal court order. The reduced timeliness rate continued its decline in the third quarter of FY17.

Income Support		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
Budget: $961,274.5	FTE: 1,075							
12	Temporary assistance for needy families two-parent recipients meeting federally required work requirements	33%	63%	60%	54%	56%	No Report	Y
13	Temporary assistance for needy families recipients (all families) meeting federally-required work requirements	34%	54%	50%	54%	47%	No Report	Y
14	Children eligible for supplemental nutrition assistance program participating in the program at one hundred thirty percent of poverty level	90%	93%	90%	94%	92%	93%	G
15	Temporary assistance for needy families clients who become newly employed during the fiscal year*	58%	58%	52%	40%	50%	No Report	Y
16	Expedited supplemental nutrition assistance program cases meeting federally-required timeline within seven days	96%	98%	99%	96%	93%	89%	R
Program Rating		Y	G					Y

*The most recent data available from the Department of Workforce Solutions is the fourth quarter of calendar year 2016.

Child Support Enforcement

The program is currently tracking behind FY17 targets; however, data for these measures lags throughout the federal fiscal year. The program has historically met or exceeded targets, particularly with increased total child support enforcement collections, with wage garnishments the largest source of child support collections. HSD reports it is piloting a new business process model to provide more focused attention on collections. For the past three fiscal years the program has collected arrears on two-thirds of the cases in which arrears were owed.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD

Human Services Department

Third Quarter, Fiscal Year 2017

Child Support Enforcement		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
Budget: $30,970.2	FTE: 383							
17	Child support cases having support arrears due, for which arrears are collected	62%	62%	67%	65%	50%	54%	R
18	Total child support enforcement collections, in millions	$140	$141	$145	$32	$31	$38	Y
19	Current child support owed that is collected	56%	56%	62%	57%	56%	56%	Y
20	Cases with support orders	82%	84%	85%	84%	83%	84%	Y
Program Rating		G	G					Y

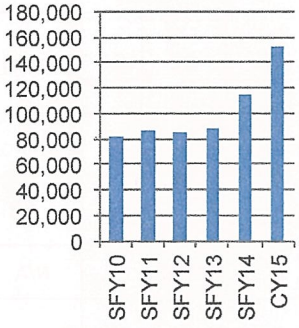
Behavioral Health Services Division

ACTION PLAN

Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

HSD notes managed care organizations are working on improving behavioral health discharge planning and follow-up coordination.

People Receiving Behavioral Health Services



Source: HSD

Note: Beginning January 2015, HSD began reporting data on a calendar year basis. Includes Centennial Care, Medicaid fee-for-service, and non-Medicaid.

The number of behavioral health clients and services continues to rise in New Mexico, as does the state's national ranking according to a report, "The State of Mental Health in America 2017." In the report, New Mexico improved fourteen spots, from 36 to 22, in Mental Health America's annual rankings. Nevertheless, service gaps and access to care remain issues, as evidenced by the exodus of Arizona behavioral health providers contracted to fill the gap in access to behavioral health care in New Mexico. La Clinica de la Familia in Las Cruces expanded to provide behavioral health services in the wake of the departure of an Arizona provider, but the primary care clinic is now experiencing financial and other difficulties and is scaling back services.

Regarding percent of residential treatment center and inpatient readmissions, there was an uptick in the first quarter but a readjustment towards the target in the second quarter. HSD's Quality Improvement Committee (QIC) notes MCOs have been strengthening processes with inpatient facilities by assigning dedicated care coordinators to each individual facility, resulting in stronger discharge plans and post follow-up plans to reduce readmission.

Percent of youth on probation receiving behavioral health services is an annual measure; FY17 results can be expected November 2017. FY16 results recently released show a decrease of three percent from FY15. HSD notes this is similar to national trends which show a slight decrease in overall juvenile crime and the subsequent number of youth on probation.

Percent of individuals discharged from inpatient facilities who receive follow-up services within seven days reflects a nearly twelve percent decline from the fourth quarter of FY16, while those receiving follow-up services within 30 days shows a slight increase of one percent over the fourth quarter of FY16.

The trend is increasing for members receiving services through telehealth. The number reported each quarter reflects an unduplicated count of persons served for the quarter.

The measure regarding people with a diagnosis of alcohol or drug dependency that initiated treatment and received additional services within 30 days is reported semi-annually. From January through December, 2016, 31,999 Medicaid and non-Medicaid behavioral health clients were reported as initiating treatment, and 18.4 percent, or 5,876 persons, had two additional services within 30 days. The performance for non-Medicaid members is higher at 28.9 percent compared to the average MCO performance of 16.9 percent. The Quality Improvements Committee will meet with MCOs to determine strategies to improve their performance.

BHSD did not report on youth suicide, possibly due to confusion regarding which measures to report quarterly; consequently the measure received a red rating.

The New Mexico Behavioral Health Consumer, Family/Caregiver Satisfaction Project.

In December 2016, LFC received results from the FY16 Consumer and Family Satisfaction Survey for behavioral health services provided through Centennial Care and the Behavioral Health Services (non-Medicaid services). A total of 1,113

adults out of a total of 46,920 adults who received care between July 1, 2015 and February 29, 2016 responded to the telephonic interview requests.

With respect to access, 80.6 percent of New Mexicans responded positively that entry into behavioral health services is quick, easy and convenient, down from 82.7 percent in FY15 and below the national average of 84.8 percent. Regarding respondents who felt they were a part of their treatment team, 82.3 percent responded positively, and while this is above the national 2015 average of 80 percent, it is below New Mexico's FY15 result of 83.3 percent.

Regarding if respondents felt they could manage their daily activities better, 73.9 percent responded positively, above the national 2015 average of 71.8 percent and above the prior year's performance of 72.9 percent. Respondents also reported positively regarding the extent to which services provided to individuals with behavioral health needs have an effect on their well-being, life circumstances, and capacity for self-management and recovery.

The average proportion of positive responses for social connectedness was 79.1 percent, above that national 2015 average of 71.3 percent and above the prior year's performance of 77.9 percent. Regarding services that have a positive effect on individuals' well-being, life circumstances, and capacity for self-management and recovery, New Mexico was 75.5 percent above both the national average of 69.9 percent and the prior year of 72.9 percent.

Consumer comments about access to behavioral health in the 2016 Consumer and Family Survey:

"Services in my region are limited and not sufficient for providing the quality of care that is needed."

"I'm having transportation problems. When it's late, I can't get into treatment."

"I had to go to El Paso to get help. There is a waiting list in NM."

"I would like there to be more Spanish speakers or interpreters. I don't feel comfortable talking about the medication I'm receiving."

"I just want them to stop changing and taking away counselors in mid-stream. It's like changing horses in mid-race. It's very rough on the rider and the horse. "

Regarding whether adults are generally happy with the services they are provided, the average proportion of positive responses was 86.4 percent, lower than the national 2015 average of 88.8 percent and below the prior year's performance of 88 percent. Adults reported less satisfaction with the range of provider choices available to them.

	Behavioral Health Services Division	FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
1	Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	8.6%	6.8%	5%	7%	3.9%		G
2	Youth on probation served by a statewide entity	64.4%	61.1%	60%	Annual			N/A
3	Suicides among youth served by the Behavioral Health Collaborative and Medicaid programs	2	0	2	No Data			R
4	Individuals discharged from inpatient facilities who receive follow-up services at seven days	33.9%	35.1%	47%	37.2%	23.6%		R
5	Individuals discharged from inpatient facilities who receive follow-up services at thirty days	51.6%	53.9%	67%	50.5%	55.1%		Y
6	Persons served through telehealth in rural and frontier counties	2,699	3,682	2,900	2,756	2,390		G
7	People with a diagnosis of alcohol or drug dependency who initiated treatment and received two or more additional services within thirty days of the initial visit	15.7%	18.2%	40%	18.4%	Semi-annual		Y
8	Adults diagnosed with major depression who remained on an antidepressant medication for at least 180 days	37%	29%	26%	Annual			N/A
Program Rating		Y	Y					Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

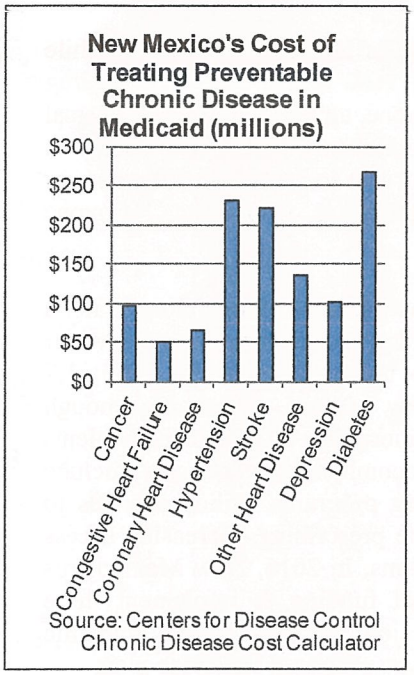
PERFORMANCE REPORT CARD
Department of Health
Third Quarter, Fiscal Year 2017

Department of Health

The department is charged with preventing costly chronic disease, reducing the burden of behavioral health and substance misuse disorders, and lessening the impact of an imperfect healthcare system on vulnerable populations. However, using quarterly performance monitoring to assess the department's impact on protecting the health of New Mexicans is a continuing challenge. Vetoed performance measures in the 2017 General Appropriation Act (GAA) would have required monitoring related to teen pregnancy, student wellness exams, infant pertussis, long-term care resident pressure ulcers, and psychoactive drug prescribing for long-stay nursing residents. Solidifying these measures within the Accountability in Government Act framework would have been a good step.

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No



Source: Centers for Disease Control Chronic Disease Cost Calculator

Public Health

One of several ways to determine the impact Public Health could have on the state is to look at the costs of treating chronic diseases, many of them preventable. The cost to Medicaid alone to treat cancer, congestive heart failure, coronary heart disease, hypertension, stroke, other heart diseases, depression, and diabetes is estimated at about $1.2 billion in New Mexico according to the federal Centers for Disease Control. Every year the department invests in initiatives to reduce the prevalence of chronic disease risk factors such as targeting funding towards nutrition services, obesity, and tobacco use reduction programs. However, aside from the performance measures on tobacco use, tracking what the department does to improve chronic disease outcomes is limited within the Accountability in Government Act framework.

Another way to understand Public Health's impact is to consider child health outcomes. For example, a 2015 LFC evaluation on teen pregnancy found that children born to teen moms cost taxpayers $84 million annually due to costs to Medicaid associated with their births, increased reliance on public assistance, and poor educational outcomes. Furthermore, teens are more likely to have pre-term babies which cost Medicaid an average of $20 thousand in medical care during the first year of life. While progress was made in recent years New Mexico still has one of the highest teen pregnancy rates in the nation. Another concern is low birth-weight. Significant maternal risk factors for low birth-weight include diabetes, high blood pressure, infections, inadequate prenatal care, insufficient weight gain, tobacco use, unemployment, and low education or income levels. As stated above, the state invests significantly in reducing many of these risk factors. However, the state ranked twelfth nationally for low birth-weight babies in 2016.

New Mexico Child Health Indicator Rankings (From Highest)	
Teen Pregnancies ages 15-19	5
Low Birthweight Babies	12
Pertussis Cases	10
Child Immunizations	37
Children in Poverty	1

Source: United Health Foundation: America's Health Rankings

Public Health		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
Budget: $177,655.1	FTE: 863							
1	Females aged fifteen to seventeen seen in public health offices given effective contraceptives	55%	56%	≥66%	59%	56%	63%	Y
2	Quit Now enrollees who successfully quit using tobacco at seven month follow-up	31%	33%	33%	34%	26%	35%	G
3	Teens aged fifteen to seventeen receiving services at clinics funded by the family planning program	1,334	1,405	3,616	588	961	935	Y
4	High school youth trained to implement tobacco projects in their school or community	New	New	Baseline	0	187	273	
Program Rating		Y	Y					Y

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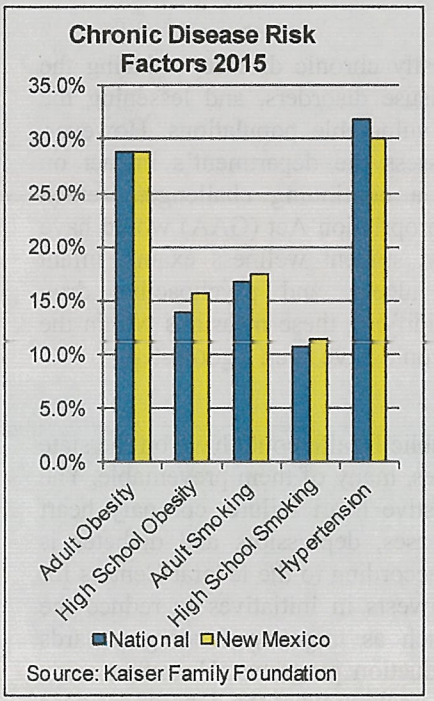
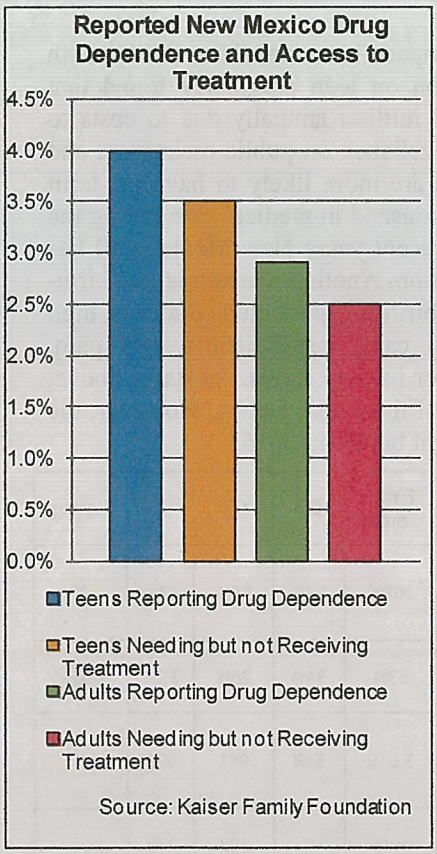
Department of Health
Third Quarter, Fiscal Year 2017





Epidemiology and Response

The measure on infant pertussis cases (whooping cough) is key to understanding the department's impact on protecting infants through the immunization process. Given that the state ranks tenth in overall cases of pertussis and thirty-seventh for child immunizations we may not be doing a great job. Pertussis can be a serious, even life-threatening illness especially in infants. The Centers for Disease Control estimates that half of infants younger than 1 year who develop pertussis require hospitalization for complications. In the third quarter, infants were eight times more likely than the total population to have a reported pertussis infection. The department provided a quarter by quarter action plan to improve infant pertussis infection rates, such as further promotion of vaccines.

In 2016 New Mexico ranked second for drug deaths in the United States while male drug deaths were nearly double the national rate. One way to reduce drug deaths is to ensure widespread availability of Naloxone, an opiate overdose reversal medication. Recent legislation allowed any individual to possess Naloxone, and authorizes licensed prescribers to write standing orders to prescribe, dispense, or distribute Naloxone. The percent of retail pharmacies dispensing Naloxone improved in the third quarter to 32 percent.

However, preventing overdoses through the distribution of Naloxone alone is not a comprehensive strategy and the department plays a key role in coordinating a wider response to the opioid epidemic. According to the department "in 2015, 1.7 million opioid prescriptions were written in New Mexico, dispensing enough opioids for each adult in the state to have 800 morphine milligram equivalents (MME), or roughly 30 opioid doses." CDC recommended strategies include increasing the use of prescription drug monitoring programs, policy changes to reduce prescribing, working to detect inappropriate prescribing, increasing access to treatment services, and assisting local jurisdictions. In 2016, New Mexico was one of 14 states to receive federal supplemental funding to implement these strategies. While the department does a good job tracking opioid epidemic indicators, there is little cross agency cohesion and no proposed statewide plan.

Epidemiology and Response		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
Budget: $28,448.3	FTE: 185							
5	Hospitals certified for stroke care	9%	9%	≥14%	14%	14%	14%	G
6	Vital records customers satisfied with the service they received	98%	95%	≥95%	93%	95%	No data	Y
7	Ratio of infant pertussis rate to total pertussis rate	New	New	4.4	13.2	6.6	8.2	Y
8	Percent of retail pharmacies dispensing naloxone	New	New	Baseline	23%	27%	32%	
9	New Mexicans who completed a sexual assault primary prevention program	New	New	Baseline	745	2,585	2,082	
10	New Mexico population served during mass distribution of antibiotics or vaccinations in the event of a public health emergency	New	New	Baseline	11%	11%	12%	
Program Rating		Y	Y					Y

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Department of Health
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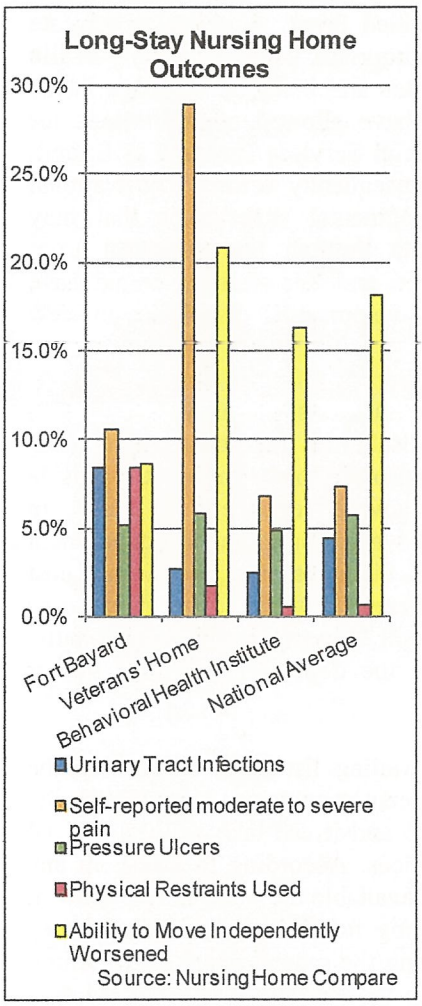


Facilities Management

State operated facilities are one area where the department could have a direct impact on the state's drug epidemic. However, until recently three of the department's hospitals were in the substance abuse rehabilitation business but the number of beds available for these services is diminished. As of April 20, 2017, the New Mexico Rehabilitation Center (NMRC) had a census of zero in both its medical detoxification and chemical dependency units. Fort Bayard Medical Center closed Yucca Lodge and the department stated that it was going to move these services to NMRC, but it is unclear how or when the department intends to do this. In response to a draft of this report card, the department stated that NMRC had its first two admissions recently. Turquoise Lodge Hospital in Albuquerque had a patient census of 15 in the medical detoxification unit and 16 in its rehabilitation unit. Ideally each unit would have 24, but the hospital does not have Joint Commission accreditation and also recently lost several payor sources.

Imagining a future for state operated inpatient substance abuse rehabilitation services is difficult. However, the federal government is encouraging states to seek a Medicaid waiver for drug and alcohol treatment centers with more than 16 beds. These waivers have already been granted to four states and seven additional states are seeking them. The Medicaid rule prohibits the use of federal dollars for addiction treatment provided in facilities with 16 or more beds and a waiver would side step this requirement. If the state were to seek this waiver continued support of these hospitals would be more likely.

One improvement in the department's quarterly report this year was to revamp the measure for patient falls in a way that is easily benchmarked. The Centers for Disease Control says nationally, patient falls are a leading cause of hospital-acquired injury, frequently prolonging or complicating hospital stays, and are the most common adverse event reported in hospitals. The goal is to eliminate or reduce falls with injury through a falls prevention protocol in the acute care setting. There was a total of three falls with major injury in the third quarter and the department has an action plan in place to reduce this further.

Facilities Management		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
Budget: $140,535.8	FTE: 2,038							
11	Falls resulting in major injury per one thousand long-term care patient days	New	New	≤3	0.2	0.2	0.1	G
12	Eligible third-party revenue collected at agency facilities	88%	94%	≥92%	88%	92%	92%	G
13	Vacancy rate for direct care positions	New	New	≤10%	22%	24%	22%	R
Program Rating		Y	Y					Y

Nursing Home Compare Star Ratings (Out of Five Stars)

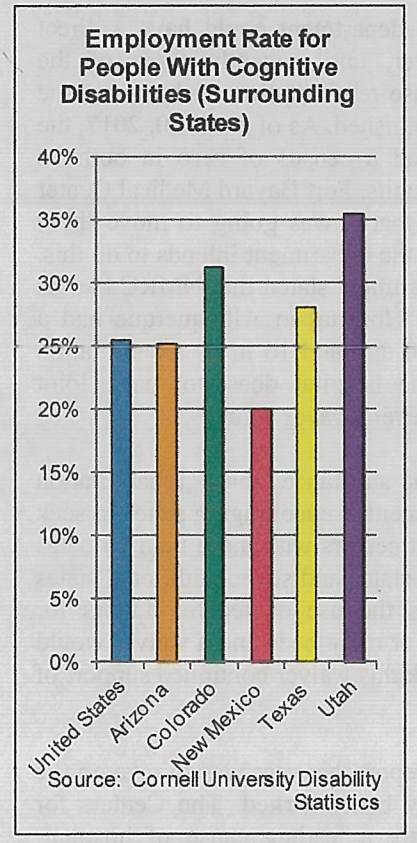
	Behavioral Health Institute	New Mexico Veterans' Home	Fort Bayard Medical Center
Overall	4	2	4
Health Inspections	3	2	3
Staffing	5	4	5
Quality Measures	3	1	2

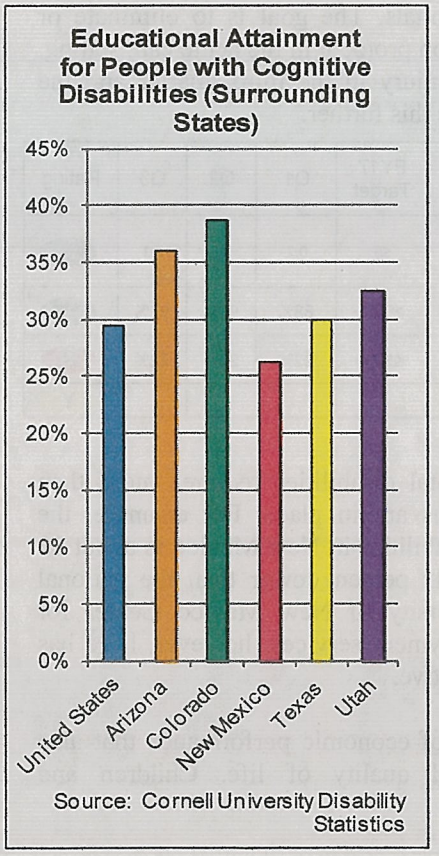
Source: Nursing Home Compare

Developmental Disabilities Support

Positively impacting people with developmental disabilities requires more than counting wait lists and ensuring service plans are in place. For example, the employment rate for people with cognitive disabilities in New Mexico is about 20 percent, seventh lowest in the country and six percent lower than the national average. The state contracts with the University of New Mexico Center for Development and Disability to provide employment services; however, little has been published on the performance of this initiative.

Additionally, education is a key determinant of economic performance that also affects long-term socioeconomic status and quality of life. Children and





adolescents with physical and cognitive disabilities typically have more limited access to formal education than their non-disabled peers. Working to educate people with developmental disabilities, when appropriate, improves quality of life and independence. The Legislature recognized this and included language in the 2017 General Appropriations Act that would have allowed appropriations for evidence-based job training services at the Special Services Program at Eastern New Mexico University – Roswell, but was subsequently vetoed. The National Institutes of Health considers multiple developmental experiences that may contribute to learning and work achievements through the transition from adolescence to young adulthood to be important and this strategy would have added to educational options for people with developmental disabilities in New Mexico.

The department recently discontinued use of supports intensity scale (SIS) assessments for adults on the developmental disabilities Medicaid waiver (DD waiver). Recipients are now receiving funding approvals solely through the outside review process, an outcome of the Waldrop lawsuit settlement. In FY11, in response to a 2010 LFC evaluation of the DD waiver program, the department made reforms such as implementing the new SIS. Since that time, the average cost per client dropped and the savings were used to create new slots. It remains to be seen whether the new outside review process will be cost neutral. Additionally, seemingly unending litigation drives much of the department's costs, further limiting its ability to reduce wait lists.

Over the past several years, the DD waiver waiting list grew faster than the availability of new slots. With an average 5 percent growth rate since FY08, the DD waiver waiting list exceeded 6,500 in FY16 and it can take as long as 10.4 years before an individual starts receiving services. According to DOH, in any given year, if fewer than 300 new slots are made available the wait list will grow. It is important to note that while clients are waiting for DD waiver services they receive healthcare services from Medicaid. During the second quarter the Central Registry Unit (CRU) began working to clean up the waiting list and closed over 100 backlogged applications. Eliminating people on the waiting list who may not be eligible for DD waiver services will result in fewer people on the waiting list. Pending data on measure 18 is due to IT systems upgrades within the Health Certification, Licensing, and Oversight Program.

Developmental Disabilities Support		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
Budget: $ 160,671.9	FTE: 188							
14	Developmental disabilities waiver applicants with service plans in place within ninety days	91%	53%	≥95%	56%	73%	92.2%	Y
15	Adults receiving community inclusion services also receiving employment services	29%	36%	≥33%	34%	35%	36%	G
16	People receiving developmental disabilities waiver services	4,610	4,660	≥4,700	4,619	4,635	4,644	Y
17	People on the developmental disabilities waiver waiting list	6,365	6,526	≤6,300	6,529	6,580	6,775	R
18	Abuse, neglect, and exploitation rate for DD Waiver and Mi Via waiver clients	11.9%	10.2%	≤8%	6.2%	6.1%	Pending	G
Program Rating		Y	Y					Y

ACTION PLANS

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	Yes

The Children, Youth and Families Department has increased the number of foster care providers 6.5 percent between March 2016 and 2017, keeping pace with similar percent increases to children in care during the same time period.

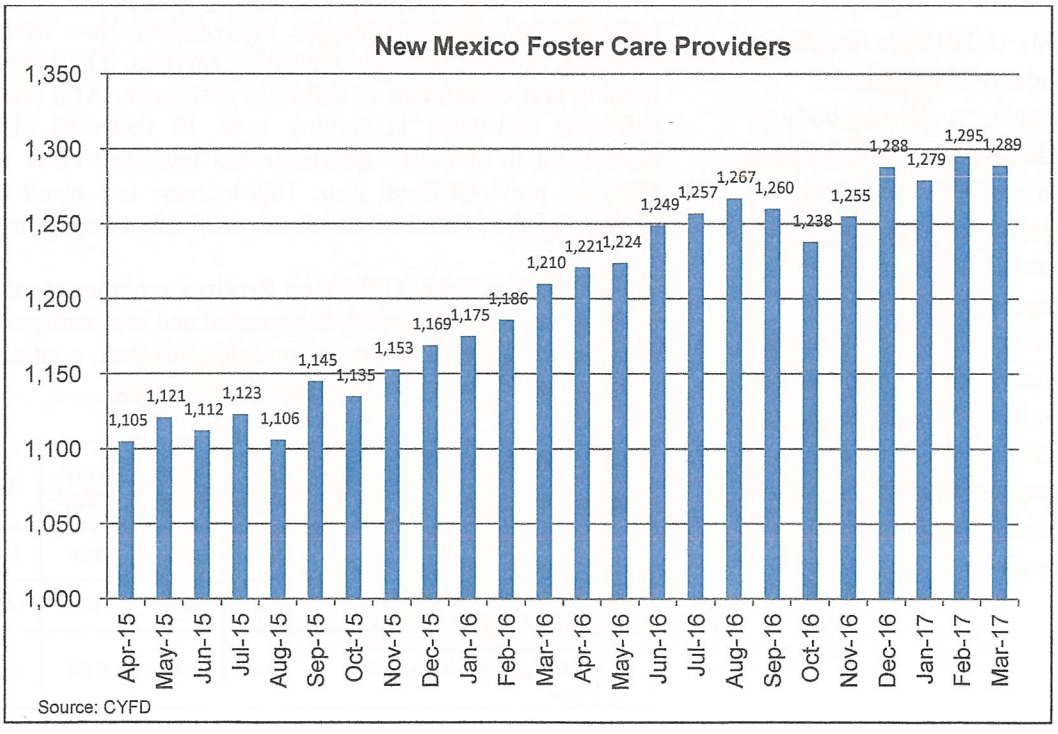
Children, Youth and Families Department

New Mexico continues to struggle with increased stresses on the child welfare system. Repeat maltreatment remains close to double the national average and children in care of the Protective Services program increased 5.8 percent between March of 2016 and 2017. In response, the state has continually secured additional resources for the Children, Youth and Families Department (CYFD) to provide early interventions to families and additional personnel for the agency to reduce case loads. However, persistently difficult economic and social factors statewide may be countering these efforts.

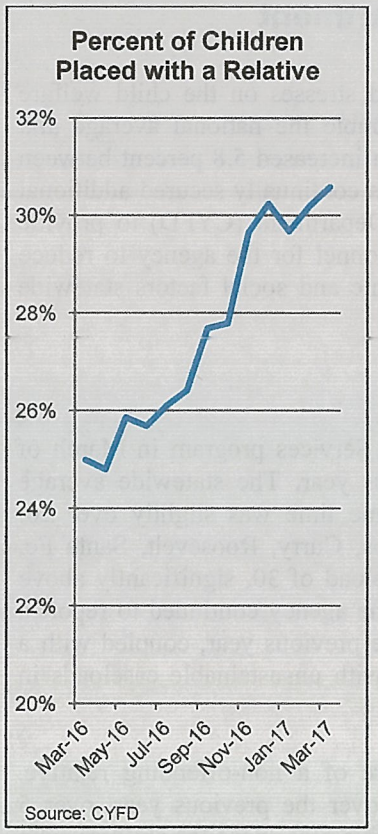
Protective Services

The number of children in care of the Protective Services program in March of 2017 was 2,635, 144 children above the previous year. The statewide average caseload for permanency workers during this same time was slightly over 20. Conversely, certain regions including Cibola, Taos, Curry, Roosevelt, Santa Fe, and Otero counties were closer to an average caseload of 30, significantly above the national recommendation of 19. Despite this the agency continued to report a significant improvement in turnover rates from the previous year, coupled with a continued recruitment strategy to assist counties with unsustainable caseloads in future quarters.

Nearly a third of children are placed in the care of a non-offending relative. Relative foster placement has risen significantly over the previous year, over 5 percentage points. National research suggests relative placement for children who come into contact with child welfare systems supports better long-term outcomes such as the utilization of behavioral health services and likelihood of timely adoptions.



PERFORMANCE REPORT CARD
Children, Youth and Families Department
Third Quarter, Fiscal Year 2017



Protective Services Budget: $147,432.8 FTE: 927.8		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
1	Children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	89.1%	87.7%	93.0%	87.4%	88.0%	88.3%	R
2	Children who are not the subject of substantiated maltreatment while in foster care	99.8%	99.8%	99.8%	99.9%	99.9%	99.9%	G
3	Children reunified with their natural families in less than twelve months of entry into care	64.1%	60.4%	65.0%	57.0%	57.8%	59.0%	R
4	Children in foster care for twelve months with no more than two placements	73.8%	70.5%	76.0%	72.7%	72.8%	73.0%	R
5	Children adopted within twenty-four months from entry into foster care	32.1%	23.3%	33.0%	19.1%	20.1%	20.3%	R
6	Children reentering foster care in less than twelve months	9.8%	12.6%	9.0%	10.7%	11.9%	11.2%	R
7	Children in foster care who have at least one monthly visit with their caseworker	New	95.6%	97.0%	96.4%	96.4%	95.1%	R
8	Turnover rate for protective services workers	29.0%	29.7%	20.0%	7.5%	14.2%	18.3%	G
Program Rating		R	R					R

In March 2017 the American Academy of Pediatrics reported, "A growing body of evidence suggests that children who cannot live with their biological parents fare better, overall, when living with extended family than with nonrelated foster parents," and recommended policy makers identify and eliminate barriers to the use of kinship care arrangements including providing funding for relative care givers.

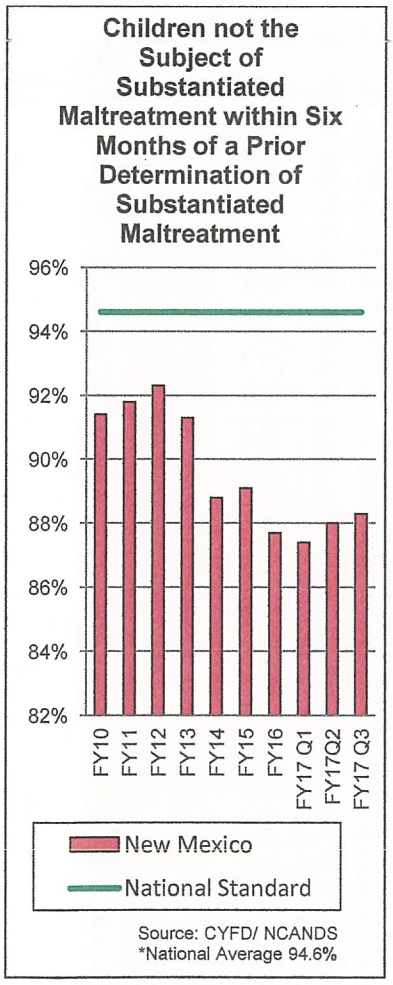
Early Childhood Services

To prevent additional at-risk children and families from reaching a point of crisis necessitating protective service intervention, New Mexico has been significantly investing in early care and education services. The largest of these services in both funding and enrollment is childcare assistance. At a cost of $100 million annually, childcare assistance is serving over 18 thousand children a month statewide. Enrollment in childcare assistance has increased close to 1,000 additional children since the previous fiscal year. This increase is a result of a concerted effort by the agency and the federal extension of certification requirements.

In addition, the Early Childhood Services program reported the transition from Aim High to Focus is proceeding as expected and increasing children served by Focus. As Focus continues to roll out system-wide this year, continued attention will remain on enrolling children in the highest levels of quality.

Early Childhood Services Budget: $227,897.4 FTE: 181.5		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
9	Children receiving state subsidy in focus, level four	New	New	6.0%	3.1%	3.7%	4.3%	Y
10	Children receiving state subsidy in focus, level five	New	New	14.5%	14.0%	14.9%	18.2%	G
11	Licensed child care providers participating in focus, level four	New	New	5.0%	2.5%	2.7%	2.8%	Y

During the second quarter, CYFD transferred $4.8 million non-reverting general fund balances into the Early Childhood Services program to fund increased enrollment for child care assistance.



The Washington State Institute for Public Policy reports education and employment training for juveniles focusing on three domains, employment, school engagement and use of free time, has a lifetime benefit to cost ratio of $31.

12	Licensed child care providers participating in focus, level five	New	New	15.0%	15.5%	16.0%	17.1%	G
13	Parents who demonstrate progress in practicing positive parent-child interactions	New	43.8%	30.0%	38.9%	42.4%	43.9%	G
14	Mothers who initiate breastfeeding	New	88.0%	75.0%	94.0%	90.7%	89.6%	G
15	Children receiving state subsidy, excluding child protective services child care, that have one or more Protective Services-substantiated abuse or neglect referrals	New	New	1.3%	0.4%	0.7%	0.9%	G
Program Rating		G	G					G

Juvenile Justice Services

The Juvenile Justice Services program (JJS) continues to struggle with violence in committed youth facilities. Efforts to develop pro-social skills, including de-escalation training, have been a focus of the program for several quarters to reduce violence; however, results of these programs are not materializing in performance measures. During the second quarter, JJS also rolled out additional programming for technical professional training and dog training with an eye to long term social and economic outcome improvements for committed juveniles. In addition to these policies to improve outcomes for juvenile justice clients, the agency kicked off a joint taskforce hosted by the Council of State Governments including representatives from the executive, judicial, and legislative branches and juvenile justice services providers. The taskforce will review juvenile justice data and programs to develop system-wide policy recommendations to improve outcomes. Recommendations from the taskforce are expected in early 2018.

Juvenile Justice Facilities Budget: $73,062.3 FTE: 943.3		FY15 Actual	FY16 Actual	FY17 Target	Q1	Q2	Q3	Rating
16	Clients who successfully complete formal probation	83.2%	85.4%	80.0%	81.6%	82.7%	81.3%	G
17	Clients re-adjudicated within two years of previous adjudication	6.4%	5.5%	5.8%	4.3%	5.5%	6.7%	R
18	Clients recommitted to a CYFD facility within two years of discharge from facilities	7.6%	9.5%	8.0%	2.4%	8.1%	7.8%	G
19	JJS facility clients age 18 and older who enter adult corrections within two years after discharge from a JJS facility	11.9%	13.1%	10.0%	13.9%	10.0%	11.0%	Y
20	Incidents in JJS facilities requiring use of force resulting in injury	2.2%	1.6%	1.5%	2.0%	2.0%	1.7%	R
21	Physical assaults in juvenile justice facilities	374	448	<255	134	210	292	R
22	Client-to-staff battery incidents	108	147	<108	52	73	102	R
23	Turnover rate for youth care specialists	22.4%	18.3%	14.0%	7.0%	9.0%	14.7%	R
Program Rating		R	R					Y

Early Childhood Programs: FY17 and FY18 Enrollment and Estimated Funding Needed for Statewide Programs

Criteria For Services	Home Visiting	Family, Infant, Toddler (FIT) Program	Childcare Assistance	Head Start/ Early Head Start (EHS)	Prekindergarten		Kindergarten Three Plus
					Basic (Half-Day)	Extended (Full-Day)	
	Priority eligibility for first time expectant mothers; first time parents of infants and toddlers zero to three; first time caregivers of infants and toddlers zero to three; adoptive parents of infants and toddlers zero to three, and teen parents.	Birth to children age three with or at risk for developmental delays and disabilities based on comprehensive multidisciplinary evaluation.	6 week to 12 year olds children whose families are at or below 200 percent of the federal poverty level that are working and/or in school.	Head Start/EHS is free for children birth to five years of age whose family income meets the federal poverty guidelines. The poverty guidelines are determined by the federal government each fiscal year.	Communities with Title I public schools (40 percent students eligible for free or reduced-fee lunch), priority where a minimum of 66 percent of the children served live within the attendance zone of a Title I school.		Public elementary schools with 80 percent or more of the enrolled students eligible for free or reduced-fee lunch or elementary schools receiving a D or F school grade at time of application.
FY17 Appropriation							
FY17 Appropriation	$ 17,500,000	$ 43,700,000	$ 100,200,000	$ 65,840,575	$ 19,660,000	$ 32,450,000	$ 23,700,000
Estimated Number of Clients Awarded Slots in FY17	4,604	14,921	18,433	7,652	5,745	3,641	18,155
LFC Estimated Average Cost Per Client FY17	$ 3,801	$ 2,929	$ 5,436	$ 8,604	$ 4,101	$ 7,786	$ 1,305
FY18 LFC Recommendation							
FY18 Appropriation	$ 18,300,000	$ 43,700,000	$ 100,200,000	Programs are funded with federal revenue only and amount is currently unknown.	$ 19,660,000	$ 33,650,000	$ 23,700,000
Estimated Number of Clients to be Served FY18	4,815	14,921	18,433	N/A	4,794	4,322	17,993
LFC Estimated Average Cost Per Client FY18	$ 3,801	$ 2,929	$ 5,436	N/A	$ 4,101	$ 7,786	$ 1,317
Remaining Statewide Need							
LFC Estimate of Total Eligible Clients Statewide	10,800	14,921	29,000	N/A	12,278	12,278	70,343
LFC Estimate of Need After FY18 Based on FY18 LFC Recommendation (line 12- line 10)	5,985	0	10,567	N/A	3,457	5,854	52,350
Estimated Funding Needed to Serve Clients After FY18	$ 22,750,800	$ -	$ 57,444,000	N/A	$ 14,177,956	$ 20,614,900	$ 68,952,457

Source: Children, Youth and Families Department; Public Education Department; Department of Health, and LFC Files

Home Visiting Notes:

Estimate of total eligible clients statewide is estimated flat with FY17. Average cost per client of home visiting is per family. Costs of home visiting vary greatly depending on the model used.

Family, Infant, Toddler Notes:

The FIT appropriations and LFC recommendation above are total funds. Cost per child is based on total expenditures from all revenue sources: 1) SGF; 2) Private Insurance; 3) Federal IDEA Grant; 4) Federal Medicaid. The FY17 and FY18 estimate of total eligible clients statewide used a baseline of 14,921 clients. The FIT Program is an entitlement and does not have a waiting list for services. The program is expected to continue to reminain flat in FY18.

Childcare Assistance Notes:

Estimate of total eligible clients statewide assumes the number of children on the childcare assistance waitlist up to 200 percent of the federal poverty level.

Head Start and Early Head Start Notes:

Head Start (HS) and Early Head Start (EHS) are completely federally funded. According to CYFD, HS and EHS are expected to continue experiencing decreased funding in FY18. HS and EHS funding and provider counts do not include tribal government or consortium or migrant/seasonal programs.

Prekindergarten Notes:

The FY18 LFC recommendation for basic and extended-day prekindergarten programs totals $53.5 million, includes funding for 3-year-olds, and assumes PED and CYFD allocate funding for basic and extended-day programs in the same proportion of FY18 awards. The estimated number of clients to be served in basic programs in FY18 includes authorized slots for 3-year-old students.

K-3 Plus Notes:

The budget for the 2015 summer K-3 Plus program totaled $25.2 million and includes funds from the FY15 appropriation. The LFC estimated average FY18 cost per client assumes flat per-client costs.

Early Childhood Program Appropriations

(in millions of dollars)

	FY12 Actuals	FY13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Opbud	Chapter 135,Laws 2017
Children, Youth and Families Department - Early Childhood Services Programs							
Childcare Assistance							
General Fund	$ 26.8	$ 29.8	$ 33.3	$ 30.3	$ 30.0	$ 30.6	$ 30.6
Federal Funds	$ 30.4	$ 31.6	$ 15.1	$ 23.9	$ 36.0	$ 39.1	$ 39.1
OSF	$ 0.8	$ 1.4	$ 0.8	$ -	$ -	$ -	$ -
USDA E&T	$ 0.6	$ 0.6	$ 0.6	$ -	$ -	$ -	$ -
TANF	$ 24.3	$ 23.8	$ 23.2	$ 30.5	$ 30.5	$ 30.5	$ 30.5
Total Childcare Assistance	$ 82.9	$ 87.2	$ 73.0	$ 84.7	$ 96.5	$ 100.2	$ 100.2
Home Visiting							
General Fund	$ 2.3	$ 3.2	$ 4.5	$ 6.3	$ 7.3	$ 8.6	$ 8.6
Federal Funds	$ -	$ 2.7	$ 2.5	$ 3.3	$ 3.7	$ 3.9	$ 4.7
TANF	$ -	$ -	$ -	$ 2.0	$ 4.5	$ 5.0	$ 5.0
Tobacco Settlement Fund	$ -	$ -	$ 1.1	$ -	$ -	$ -	$ -
Total Home Visiting	$ 2.3	$ 5.9	$ 8.1	$ 11.6	$ 15.5	$ 17.5	$ 18.3
Early Childhood Professional Development							
General Fund	$ 0.5	$ 0.5	$ 0.5	$ 1.0	$ 1.3	$ 1.3	$ 1.3
Prekindergarten: Four Year Old Basic Services							
General Fund	$ 8.2	$ 9.2	$ 8.5	$ 6.4	$ 4.2	$ 4.2	$ 4.2
TANF	$ -	$ -	$ -	$ 6.1	$ 6.1	$ 0.1	$ 0.1
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ 0.1	$ 0.1
Tobacco Settlement Fund	$ -	$ -	$ 3.1	$ -	$ -	$ -	$ -
Total	$ 8.2	$ 9.2	$ 11.6	$ 12.5	$ 10.3	$ 4.4	$ 4.4
Prekindergarten: Four Year Old Extended Day Services							
General Fund	$ -	$ -	$ -	$ 7.8	$ 6.8	$ 4.2	$ 5.7
TANF	$ -	$ -	$ -	$ -	$ 5.5	$ 11.5	$ 11.5
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ 0.4	$ 0.4
Total	$ -	$ -	$ -	$ 7.8	$ 12.3	$ 16.1	$ 17.6
Prekindergarten: Three Year Old Services							
General Fund	$ -	$ -	$ -	$ -	$ 2.0	$ 4.8	$ 3.3
TANF	$ -	$ -	$ -	$ -	$ 2.0	$ 2.5	$ 2.5
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.2
Total	$ -	$ -	$ -	$ -	$ 4.0	$ 7.3	$ 7.0
Subtotal CYFD PreK	$ 8.2	$ 9.2	$ 11.6	$ 20.4	$ 26.6	$ 27.8	$ 29.0
Planning Grant: High Quality Early Childhood Development Centers							
General Fund	$ -	$ -	$ -	$ 0.5	$ -	$ -	$ -
TOTAL CYFD	$ 93.9	$ 102.8	$ 93.1	$ 118.2	$ 139.8	$ 146.8	$ 148.8
Public Education Department - Special Appropriations							
Prekindergarten: Four Year Old Basic Services							
General Fund	$ 6.3	$ 10.0	$ 15.0	$ 17.7	$ 21.0	$ 21.0	$ 21.0
TANF	$ -	$ -	$ -	$ -	$ 3.5	$ 3.5	$ 3.5
Total	$ 6.3	$ 10.0	$ 15.0	$ 17.7	$ 24.5	$ 24.5	$ 24.5
Prekindergarten: Four Year Old Extended Day Services							
General Fund	$ -	$ -	$ -	$ 1.5	$ -	$ -	$ -
Subtotal PED PreK	$ 6.3	$ 10.0	$ 15.0	$ 19.2	$ 24.5	$ 24.5	$ 24.5
K-3 Plus							
General Fund	$ 5.3	$ 11.0	$ 16.0	$ 21.2	$ 23.7	$ 23.7	$ 23.7
Early Literacy							
General Fund	$ -	$ 8.5	$ 11.5	$ 14.5	$ 15.0	$ 15.0	$ 6.0
TOTAL PED	$ 11.6	$ 29.5	$ 42.5	$ 54.9	$ 63.2	$ 63.2	$ 54.2
Department of Health							
Family, Infant and Toddlers Program (Birth to 3)[2]							
General Fund	$ 14.5	$ 14.0	$ 14.5	$ 20.1	$ 19.7	$ 19.4	$ 19.1
All other funds	$ 16.5	$ 19.6	$ 19.6	$ 19.6	$ 23.0	$ 24.3	$ 24.3
TOTAL DOH	$ 31.0	$ 33.6	$ 34.1	$ 39.7	$ 42.7	$ 43.7	$ 43.4
TOTAL RECURRING EARLY CHILDHOOD PROGRAMS	$ 136.5	$ 165.9	$ 169.7	$ 212.8	$ 245.7	$ 253.7	$ 246.4
Race to the Top- Early Learning Challenge							
Federal Funds	$ -	$ -	$ 9.4	$ 7.8	$ 14.0	$ 6.2	$ -
GRAND TOTAL EARLY CHILDHOOD PROGRAMS	$ 136.5	$ 165.9	$ 179.1	$ 220.6	$ 259.6	$ 259.9	$ 246.4

Source: CYFD, PED, HSD, DOH, and LFC Files