



HEALTH CARE  
AUTHORITY



# HEALTH CARE AUTHORITY FY25 BUDGET REQUEST

DECEMBER 12, 2023

SECRETARY DESIGNATE KARI ARMIJO

*INVESTING FOR TOMORROW, DELIVERING TODAY.*



HEALTH CARE  
AUTHORITY

## MISSION

*We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.*

## VISION

*Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.*

## GOALS



**LEVERAGE** purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



**BUILD** the best team in state government by supporting employees' continuous growth and wellness.



**ACHIEVE** health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



**IMPLEMENT** innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

# MEET THE MILLER FAMILY\*

- Lilli is 28 and lives in San Juan County with her 2 children, Lesley (7) and Timothy (3). She works in retail, earning \$17/hr. and is working 27 hrs./wk. while she studies to become a Certified Nursing Assistant at San Juan College. Monthly take-home pay is \$1,777.
- Her weekly cash on-hand is **-\$169**.



## HCA Programs Supports Lilli while She's Enrolled at San Juan College

Program Name	Benefit
Supplemental Nutrition Assistance Program	\$446/mth.
Temporary Assistance for Needy Families	\$117/mth. transportation reimbursement
Low Income Home Energy Assistance Program	\$37/mth.
Child Support Services	\$170/mth., but Lilli receives only \$87/mth. as remaining dollars go to HCA to pay for fees.
Medicaid	Coverage for children and parent

- Lilli's mother, Sonya, a retired state employee, does what she can to support her daughter and grandchildren.
  - Sonya is on a fixed income with her state retirement pension, Social Security. She pays \$325/mth. for her retiree health plan.

Lilli's Expenses	
Housing	\$900
Utilities	\$226
Childcare	\$0
Health Care	\$128
Food	\$532
Transportation	\$785
Technology	\$78
Other	\$478
<b>Total Expenses</b>	<b>\$3,127</b>

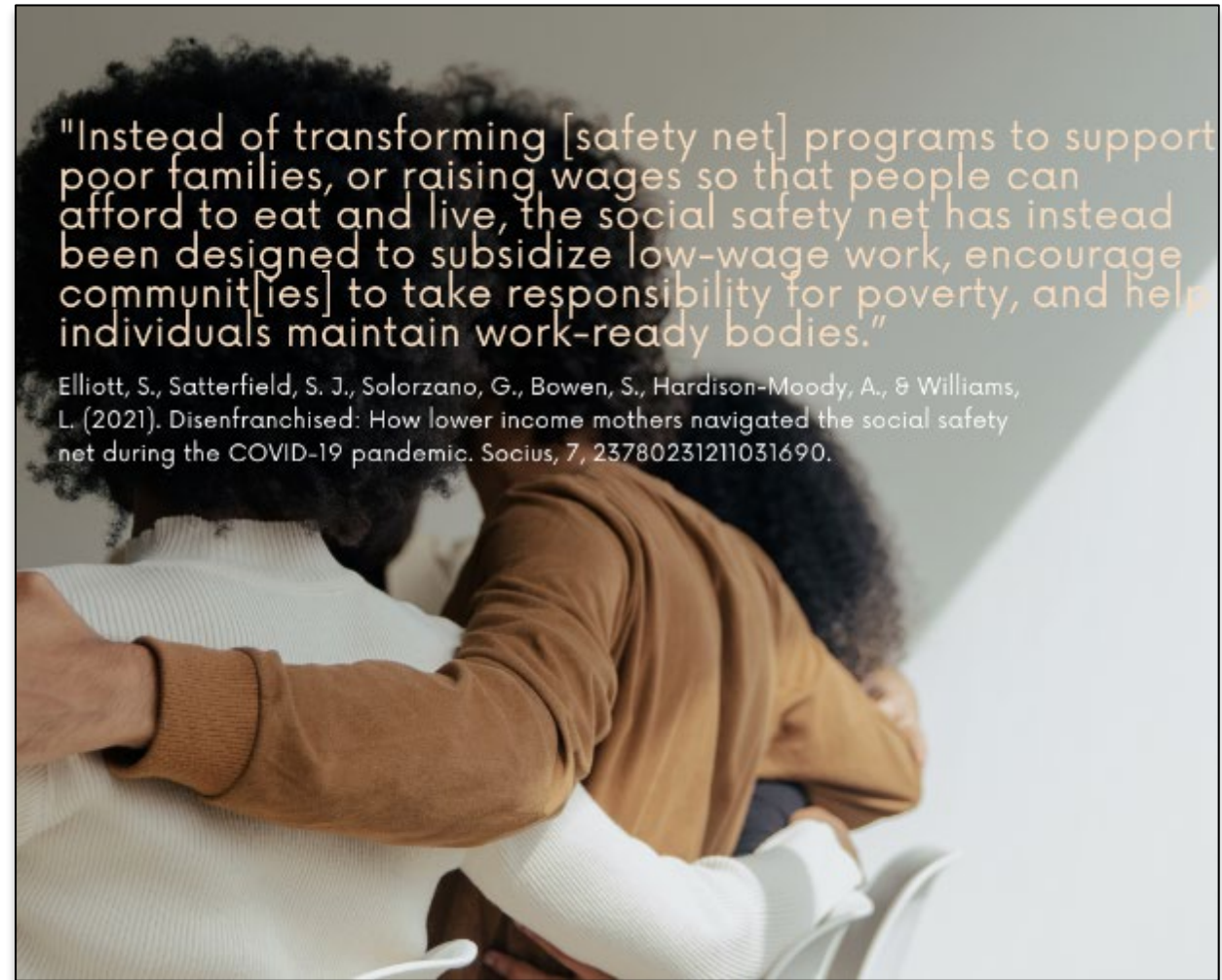
Lilli's Finances	
Monthly Take-Home Pay	\$1,777
Safety Net	\$674
Expenses	\$3,127
Monthly Cash on-hand	-\$676
Weekly Cash on-hand	-\$169

\* Based on real HCA clients, whose name and photo are changed. Expense and safety net data sources include HCA analysis, [Economic Policy Institute](#), [Career Ladder Identifier and Financial Forecaster](#).



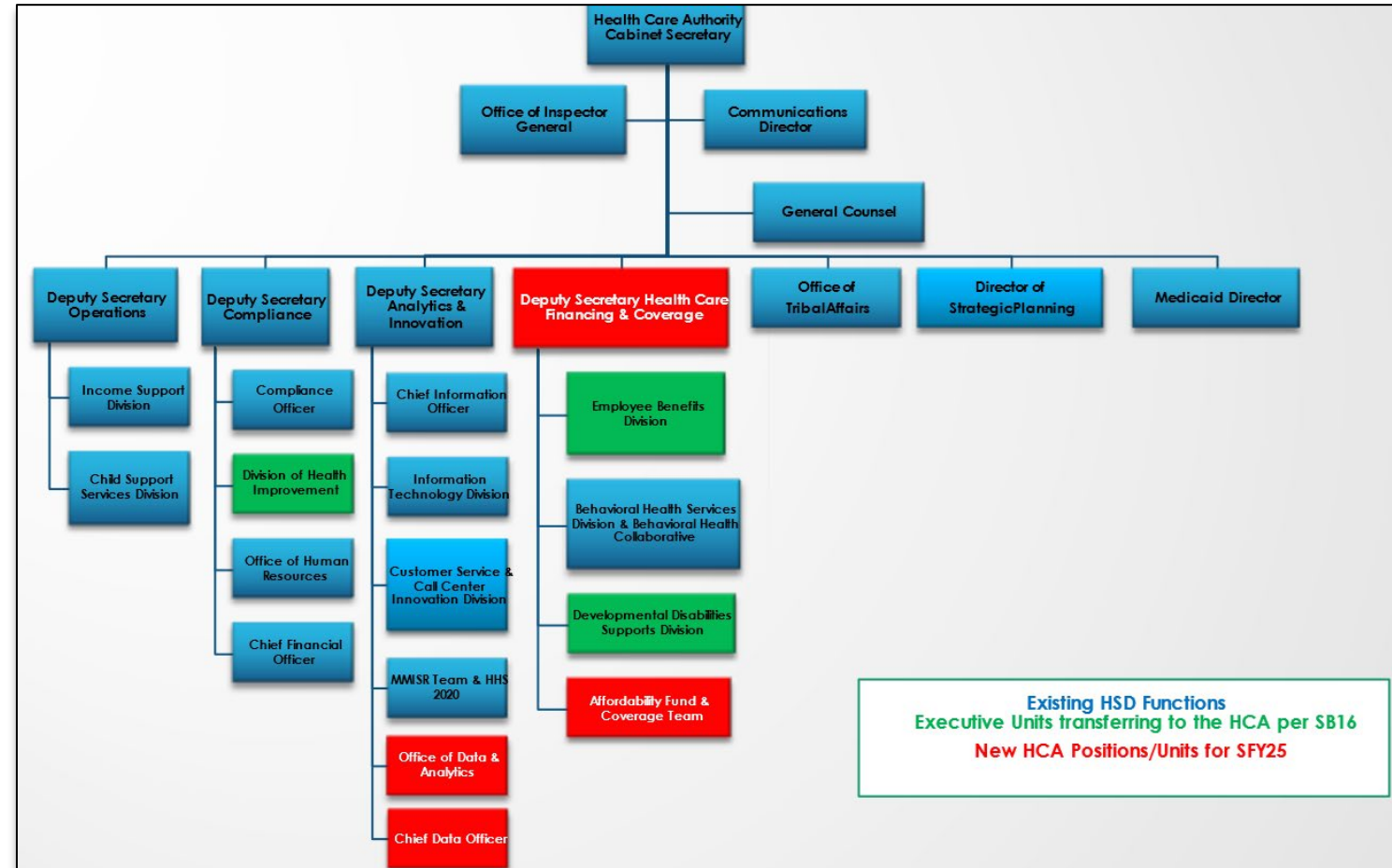
# TOPICS

- Health Care Authority Overview
- FY25 Budget Request
  - Medicaid Innovations for Customers and the Workforce
- Creating a More Effective Safety Net
- Setting up the HCA for Success
- Accomplishments and Challenges
- Questions



# BETTER TOGETHER: NEW MEXICO HEALTH CARE AUTHORITY

- Transition Plan submitted to LHHS and LFC on November 1 in accordance with SB16 and presented to LHHS on 11/30.
- On July 1, the HCA will include:
  - All existing Human Services Department (HSD) divisions;
  - The Division of Health Improvement from the Department of Health (DOH);
  - The Developmental Disabilities Supports Division from DOH; and
  - The Employee Benefits Bureau from the General Services Department (GSD).
- New Office of Data & Analytics and Chief Data Officer (FY25 budget request item)



Transition plan: <https://www.hsd.state.nm.us/health-care-authority/>



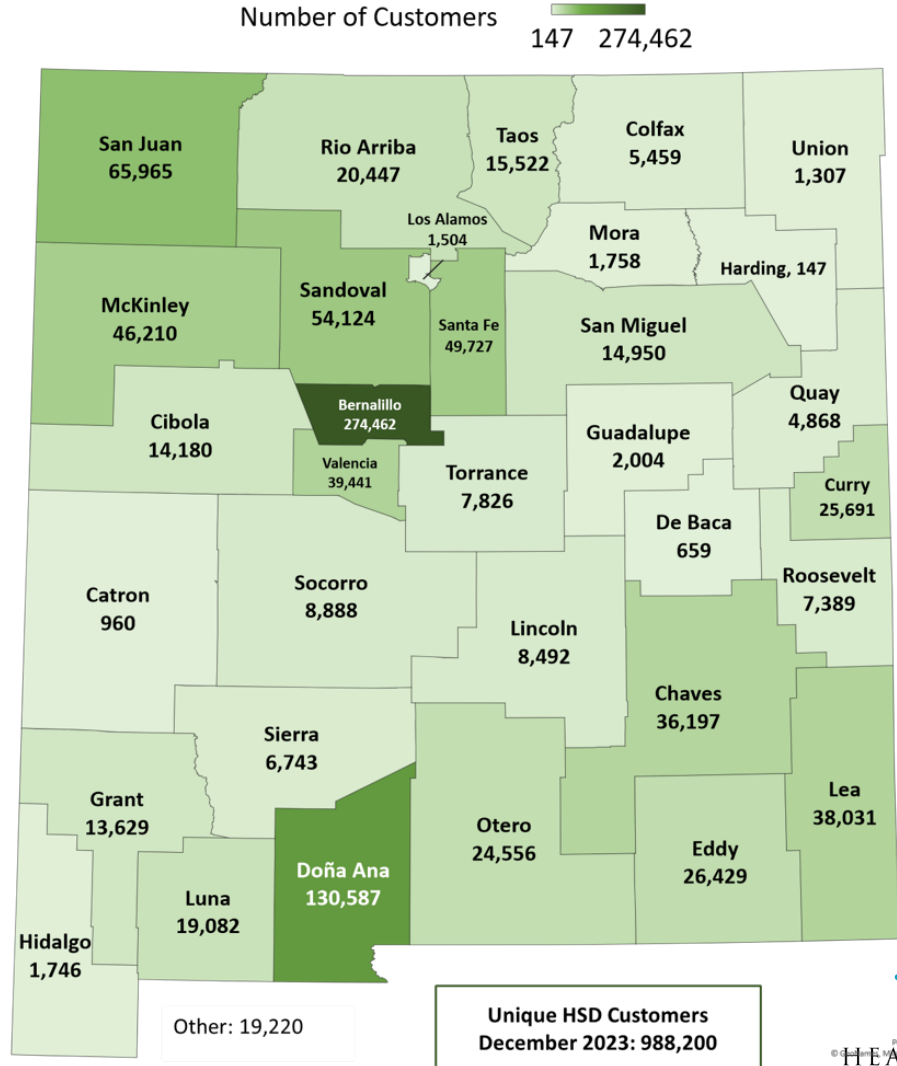
# BETTER TOGETHER: HCA WILL SERVE 50% OF YOUR CONSTITUENTS

■ HCA will continue to serve all HSD customers as well as:



- 57,375 New Mexicans enrolled in a state employee or local public body health plans.
- 123,000 New Mexicans enrolled in public school or retiree health plans.
- 7,319 New Mexicans enrolled in a Medicaid Developmental Disability waiver program.
- All New Mexicans who receive care at a licensed health facility or from a Medicaid Home and Community-Based Waiver provider.

Unique HSD Customers, December 2023



# FY25 HCA BUDGET REQUEST SUMMARY

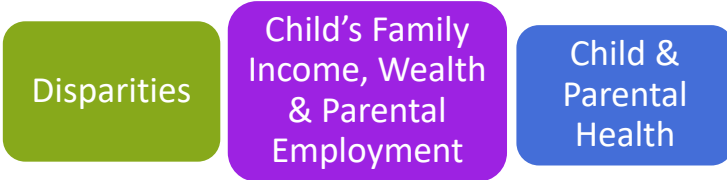
- FY24 HSD Op Bud \$11.115 B, with 16.5% from GF.
- FY25 HCA budget request \$12.892 B, 17.8% from GF.
- FY25 GF request \$2.297 B, increase of \$459.8 M from FY24 – 25% increase.
  - **88.0% growth attributable to recurring Medicaid GF**
    - Requesting \$546.1 M Medicaid GF increase, representing 36.9% GF growth from FY24 Op Bud.
  - 4.3% growth new HCA costs.
- FY 23 Reversion rate: 1.62%

(in the thousands)

Agency Briefing Sheet						
AGENCY	BU					
Health Care Authority	63000	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	TOTAL \$ Diff. FY24-25	TOTAL % Diff. FY24-25
	General Fund	\$1,421,423.7	\$1,837,727.9	\$2,297,521.3	\$459,793.4	25.0%
	Federal/Other Funds	\$9,690,663.2	\$9,277,786.2	\$10,595,032.0	\$1,317,245.8	14.2%
	<b>GRAND TOTAL</b>	<b>\$11,112,086.9</b>	<b>\$11,115,514.1</b>	<b>\$12,892,553.3</b>	<b>\$1,777,039.2</b>	<b>16.0%</b>
	200-PS & EB	\$149,415.4	\$179,906.8	\$183,818.2	\$3,911.4	2.2%
	300 - Contracts	\$240,745.7	\$357,923.1	\$426,706.1	\$68,783.0	19.2%
	400 - Other	\$10,690,667.5	\$10,410,625.8	\$12,282,029.0	\$1,871,403.2	18.0%
	500 - Other Financing Uses	\$115,262.7	\$167,058.4	\$0.0	(\$167,058.4)	
	<b>GRAND TOTAL</b>	<b>\$11,196,091.3</b>	<b>\$11,115,514.1</b>	<b>\$12,892,553.3</b>	<b>\$1,777,039.2</b>	<b>16.0%</b>
	Authorized FTE	2,445.5	2,472.5	2,417.5	(55.0)	-2.2%



# INAUGURAL HCA FY25 BUDGET DRIVERS

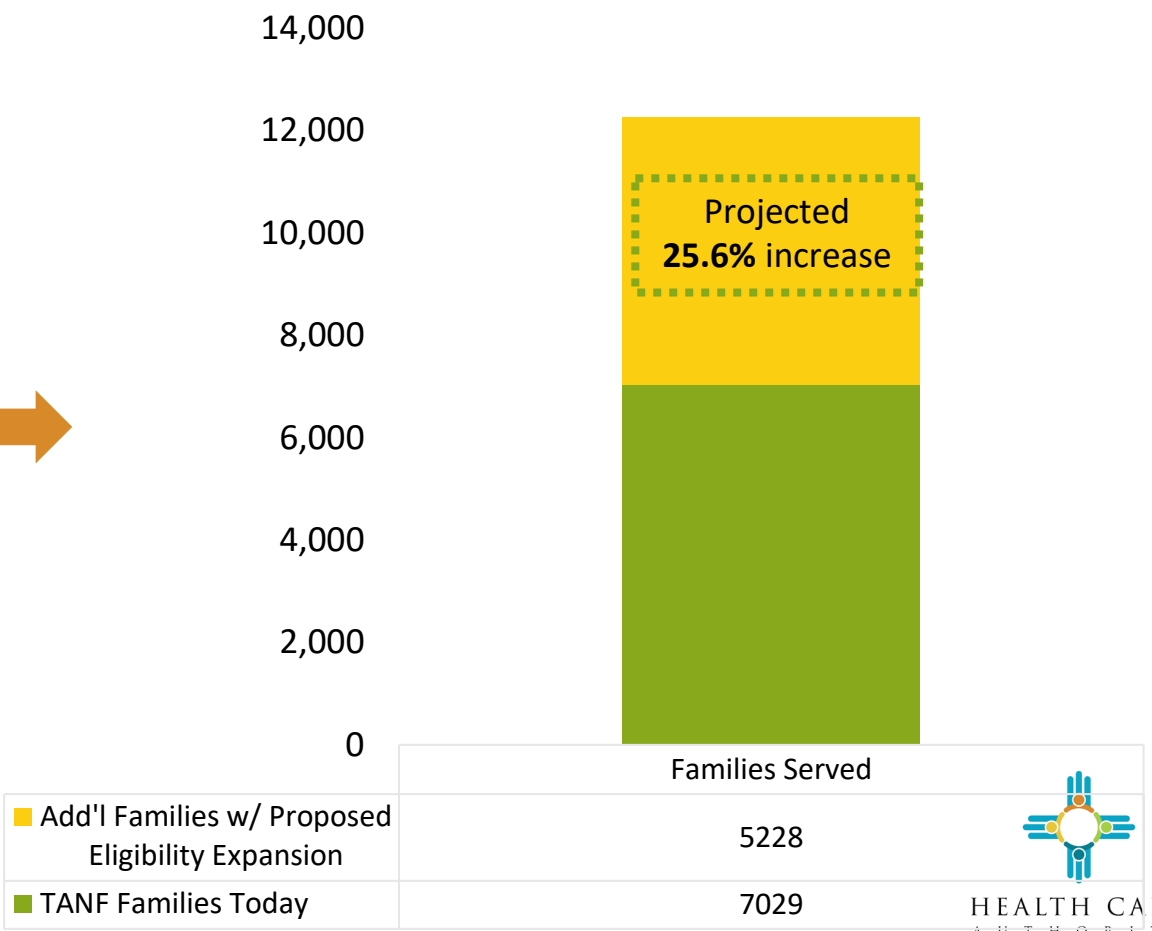


*FY25 request optimizes General Funds & Federal Funds that address drivers of intergenerational poverty by prioritizing:*

- Medicaid coverage and workforce innovations (\$214 M GF, \$727 M FF, \$941 M TC);
- Creating a more effective safety net (food supports, cash assistance, and child support) (\$52,476.6 GF, \$3,331.1 FF, \$55,807.7 TC); and,
- Setting up the HCA for success (\$9,146.7 GF, \$10,753.9 FF, \$19,900.6 TC).



**NM TANF Families Today and Projected Additional Families (12,257 total)**





# CHECKING IN ON THE MILLER FAMILY\*

- Lilli is now a Certified Nursing Assistant earning \$16/hr. working full-time at a nursing home (monthly take-home pay is \$1,920).
- Her **8.0%** increase in take-home pay resulted in a **53.2%** decrease in benefits. After expenses, her cash on-hand decreased **31.9%** to **-\$223/wk.**
- She wants to advance her career but cannot take time out of work and the lost income to go to school; she believes she will need to work a second job to care for her family.
- Sonya is looking for part-time employment to support the family.

	Before Job Change	After Job Change	Difference	% Change
Take-Home Pay	\$1,777	\$1,920	\$143	8.0%
Safety Net	\$674	\$316	-\$359	-53.2%
Expenses	\$3,127	\$3,127	\$0	0%
Monthly Cash on-hand	-\$676	-\$892	-\$892	31.9%
Weekly Cash on-hand	-\$169	-\$223	-\$223	31.9%

	Before Job Change	After Job Change	Difference
Medicaid	Covered	Covered	-
SNAP	\$446	\$211	-\$235
LIHEAP	\$23	\$18	-\$6
TANF	\$118	\$0	-\$118
Child Support	\$87	\$87	\$0



\* Based on real HCA clients, whose names and photos are changed.

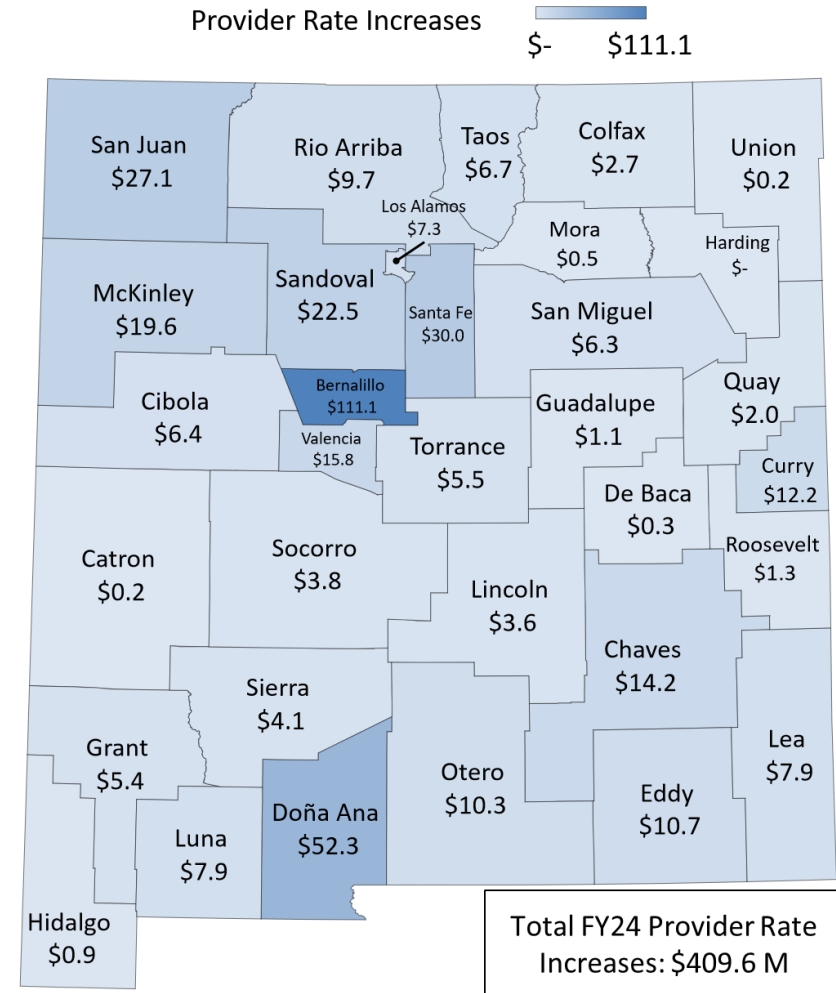


# FY25 MEDICAID COVERAGE AND WORKFORCE INNOVATIONS

1. Raise primary care, behavioral health, and maternal/child rates from 120% of Medicare to 150%. (\$91.1M GF, \$326.5M FF, \$417.6M TC)
2. Maintain other rates at 100% Medicare. (\$81.4M GF, \$291.8M FF, \$373.2M TC)
3. Establish pay parity reimbursement for non-physician practitioners (e.g. PA, CNS, CNP, midwife, dietician, dental hygienist, counselors). (\$0.01M GF, \$0.3M FF, \$0.4M TC)
4. Maintain zero wait-list for New Mexicans needing Developmental Disability home and community-based supports. (\$6M GF, \$15M FF, \$21M TC)




**FY24 HB2 Medicaid Provider Rate Increases (Millions), Pro-Rated by County Member Months**

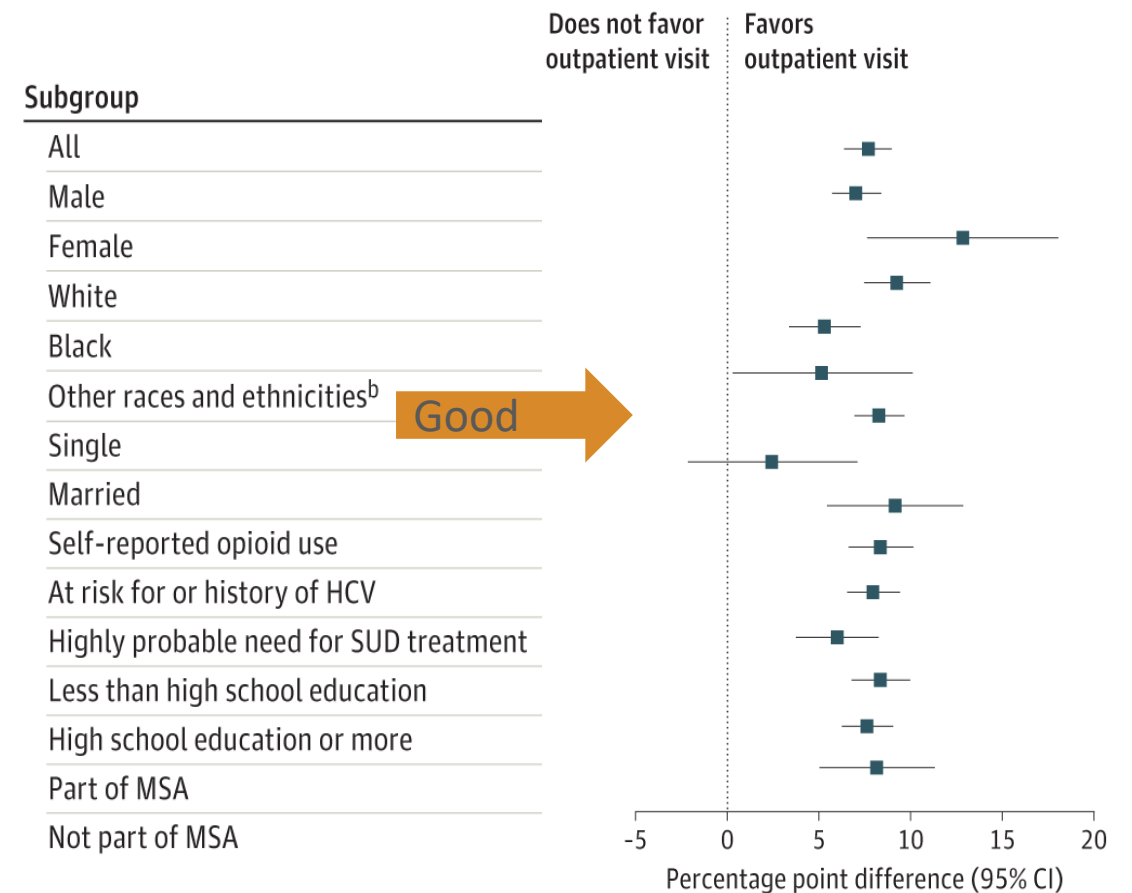


# FY25 MEDICAID COVERAGE AND WORKFORCE INNOVATIONS

Address the health-related social needs of New Mexicans (\$14.5M GF, \$38.1M FF, \$52.6M TC):

1. Reimburse for doulas and lactation consultant services.
2. Conduct Acupuncture pilot, reaching 42,464 New Mexicans living with Substance Use Disorder, and chronic pain.
3. Expand vision benefits to all adults 20 and over (from 32,258 New Mexicans to 96,774- 200% increase).
4. Add Silver Diamine Fluoride benefit to aid with tooth decay.
5. Provide Medicaid to justice-involved individuals prior to release. 
6. Reimburse for home-delivered meals pilot program.
7. Provide medical respite and supportive housing for individuals experiencing homelessness.

## 2022 study found prerelease Medicaid enrollment assistance in WI associated with increased use of outpatient health care after incarceration



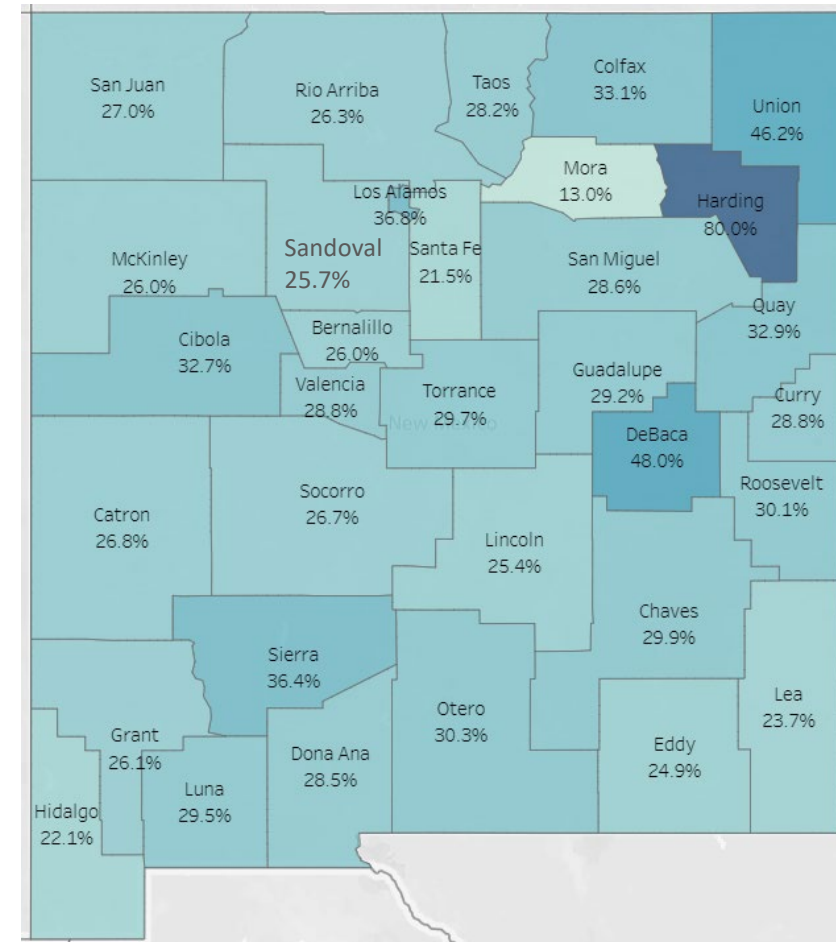
Source: <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2787710>

# HSD IS WORKING WITH CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS) TO EASE MEDICAID RENEWALS

- In FY23, HSD accurately projected 85,000–110,000 New Mexicans would be financially ineligible for Medicaid and lose coverage once unwinding began.
- HSD will implement continuous eligibility for children up to age 6 beginning 1/1/24 (currently 92,842 children).
- HSD will automatically re-enroll eligible children into Medicaid who have lost coverage during the unwinding, pending CMS approval (up to 44,635 children).
- HSD automatically renewed or reinstated Medicaid coverage for 100,234 New Mexicans who had renewal dates between 4/23–11/23 2023 and incomes up to 100% of Federal Poverty Level (\$14,580/yr. family of 1; \$30,000/yr. family of 4).
  - Estimated 100,000+ additional automatic renewals will occur between 12/23–4/24.
- These CMS approvals have already resulted in outstanding Medicaid renewals decreasing by 77% from August to November.

## Medicaid Renewals Received as Percent of Renewals Sent, Nov. 2023

Statewide average: 27.0%



Source: <https://sites.google.com/view/nmhsdscorecard/PHE>

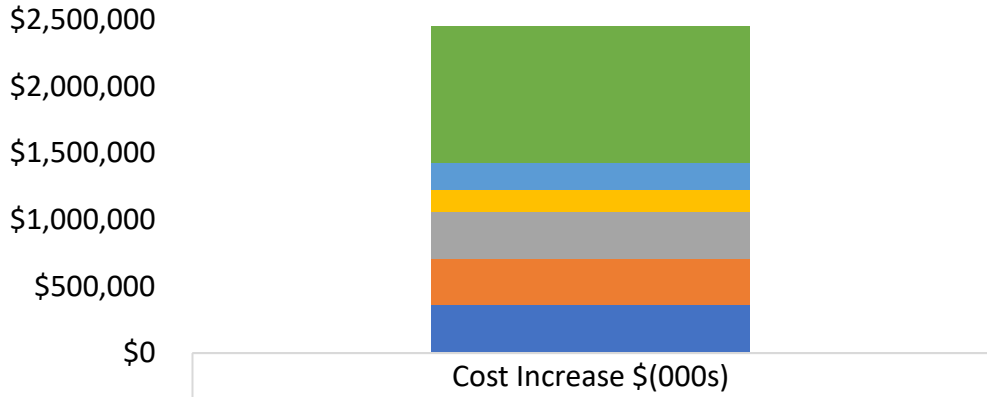


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Investing for tomorrow, delivering today.

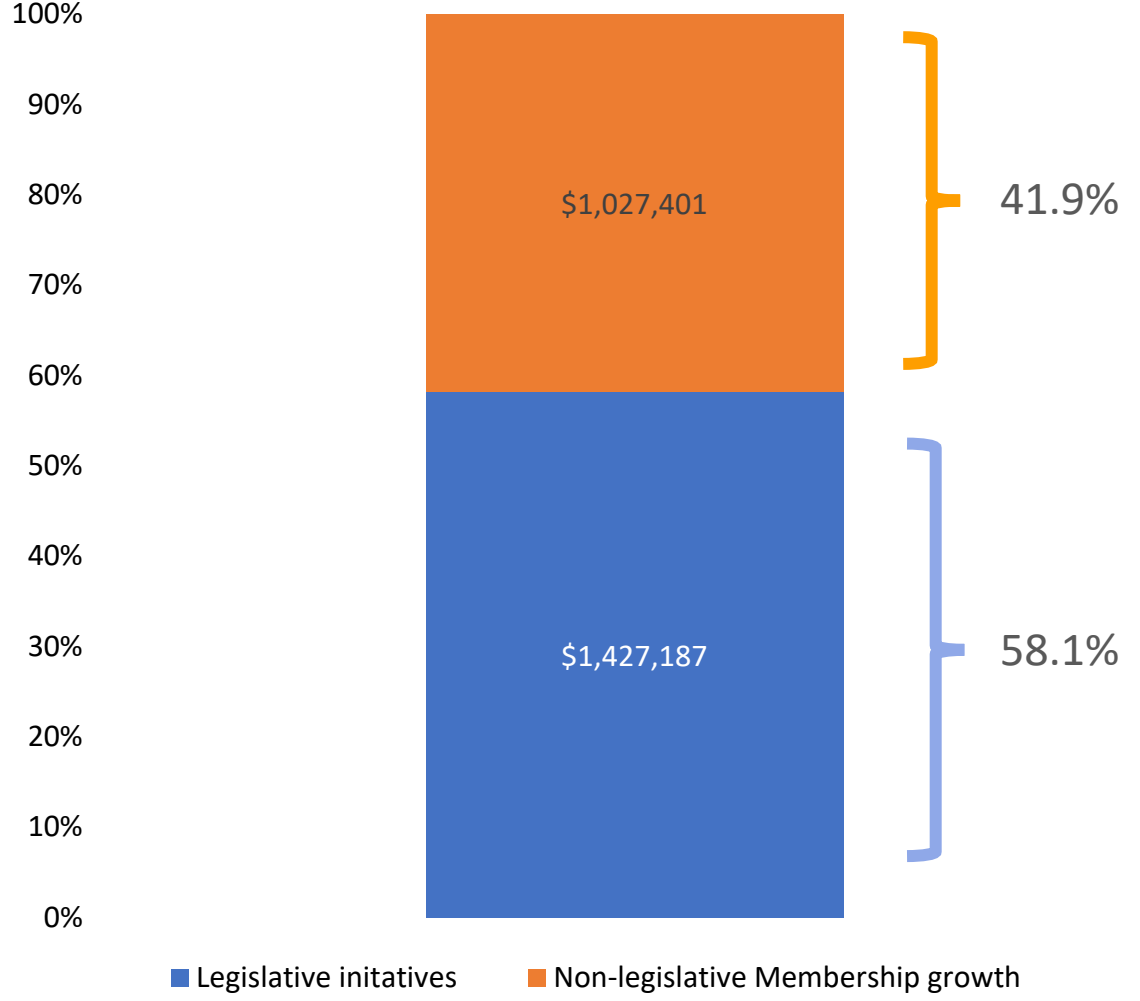
# THANK YOU FOR SUPPORTING \$2.5B IN MEDICAID INCREASES SINCE 2019 THAT SUPPORT PROVIDERS AND NEW MEXICANS

### NM Medicaid Spending Increase Factors, Costs in Thousands, 2019-2023



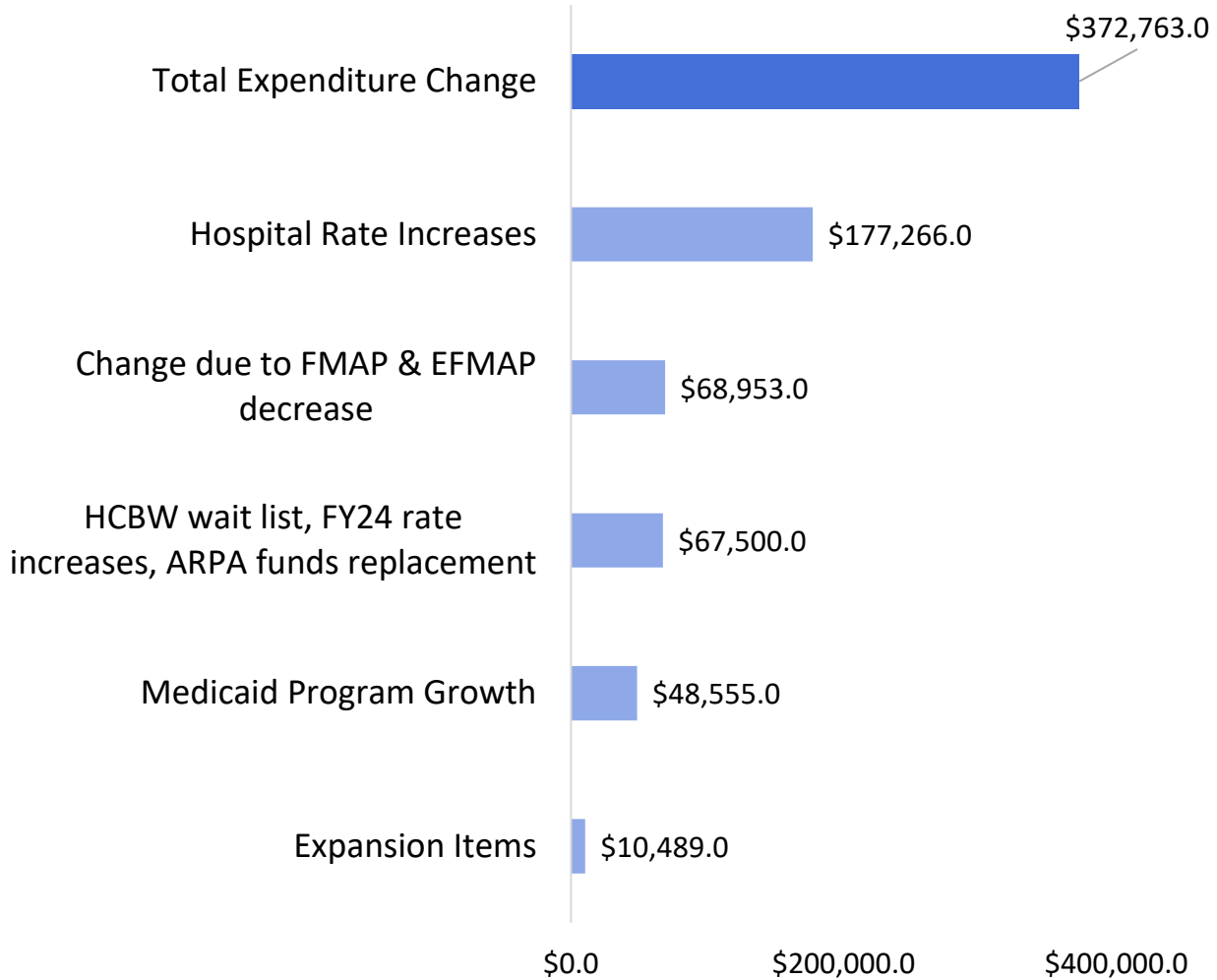
Factor	Cost Increase \$(000s)
Non-legislative Membership growth in managed care	\$1,027,401
Legislative Other non-medical expenses	\$196,367
Legislative investment: Health Insurance Premium Surtax	\$171,821
Legislative directed payments	\$350,590
Legislative member related investment: population health care cost increase (demographic trending)	\$343,642
Legislative Provider Network Investment: enhanced rates and reimbursements	\$364,767

### NM Medicaid Spending Increase Factors (Legislative & Non-Legislative), Costs in Thousands, 2019 to 2023

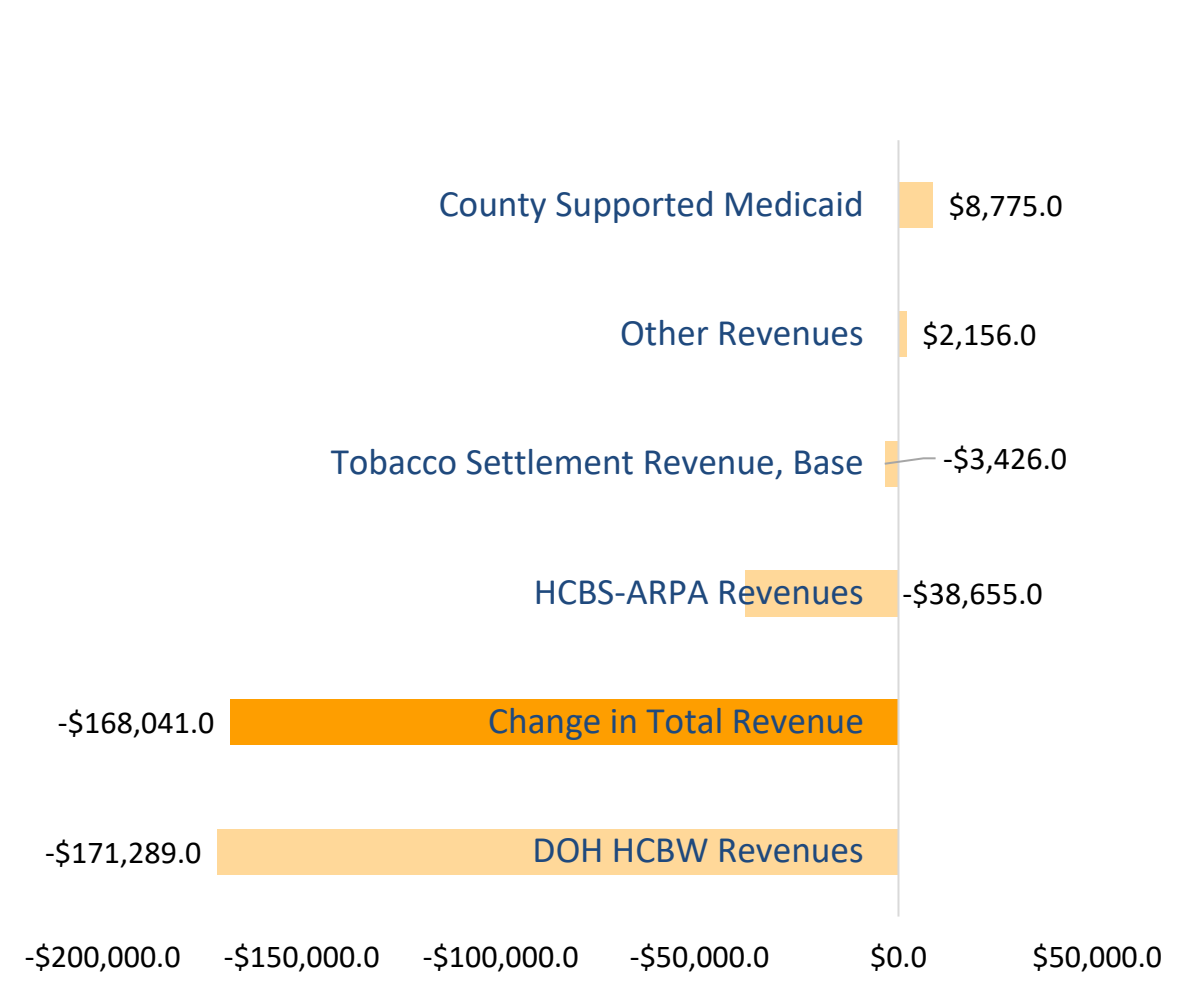


# FY25 MEDICAID SHORTFALL DRIVERS (9/23 SUBMISSION)<sup>14</sup>

## FY25 Medicaid GF Change in Expenditures (\$000s)



## FY25 Medicaid GF Change in Total Revenues (\$000s)



# A MORE EFFECTIVE SAFETY NET IN FY25

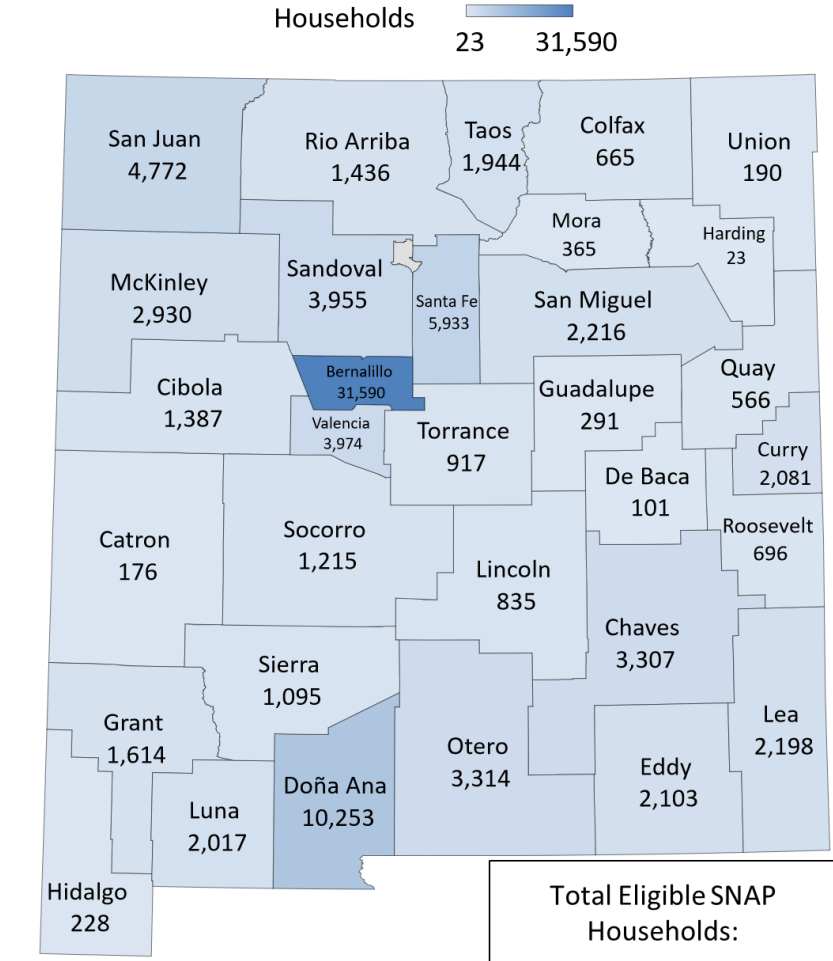
Disparities

Child's Family Income, Wealth & Parental Employment

1. Fund critical Child Support Services operations that serve 163,237 unique families and eliminate fees charged to families so more money can go to children. (\$971.5 GF, \$1,885.9 FF, \$2,857.4 TC)
2. Close the meal gap by adequately funding NM's food banks, providing an additional 50,410,448 meals to New Mexicans. (\$5,000.0 GF/TC)
3. Launch Summer Nutrition Program, providing 252,000 New Mexican children and their families food benefits when schools are closed. (\$310.0 GF/TC)
4. Establish SNAP Restaurant Meals Program, allowing estimated 153,000 older adults, people with disabilities, and people experiencing homelessness to use their SNAP benefits to purchase prepared meals from participating restaurants. (\$700.0 GF/TC)
5. Expand SNAP eligibility to New Mexicans at 200% of Federal Poverty Limit, reaching an additional 67,697 households. (\$722.6 GF/FF, \$1,445.2 TC)
6. Pilot a Grandparent/Kin raising children SNAP supplemental benefit, providing estimated 30,000 guardians with \$75/mth. per child. (\$15,000.0 GF/TC)
7. Raise monthly SNAP supplemental benefit for older adults and people with disabilities from \$25 to \$150, reaching 26,670 households. (\$29,772.5 GF/TC)



## Eligible SNAP Restaurant Meals Program Households by County, 9/2023






Disparities

Child's Family Income, Wealth & Parental Employment

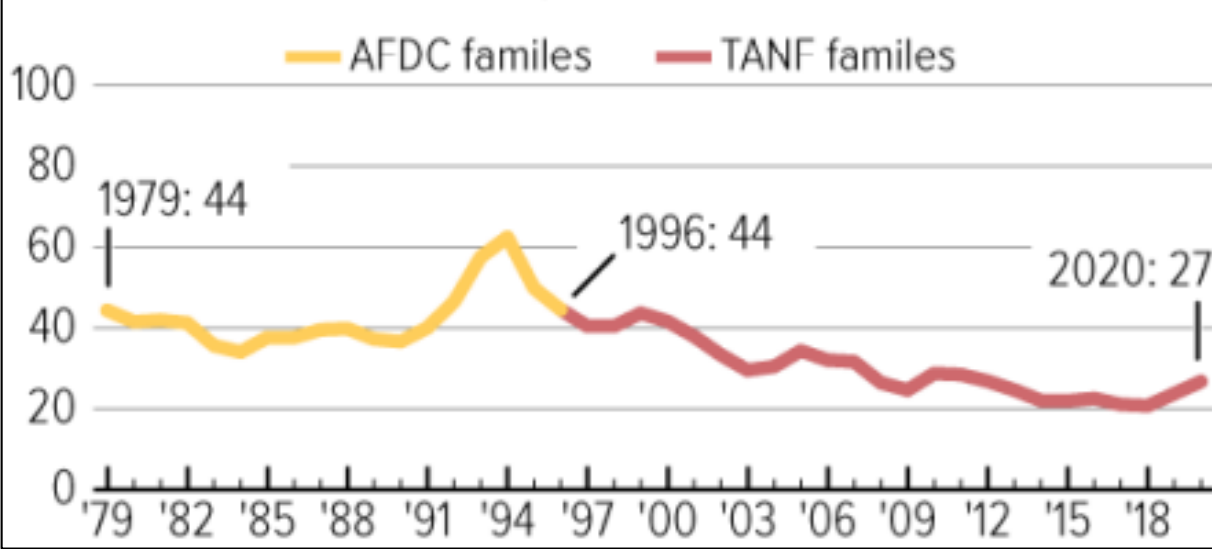
# CASH ASSISTANCE ELIGIBILITY EXPANSION

- Raising Cash Assistance (including but not limited to Temporary Assistance for Needy Families (TANF)) eligibility from 85% Federal Poverty Level (FPL) to 95% FPL extends crucial supports to an additional 5,228 lower-income households on the cusp of poverty. (\$22,924.4 GF/TC)
- NM has the lowest eligibility threshold at 85% FPL.
- Families living just above current FPL often face similar financial struggles as those below it, yet lack access to essential benefits.

## TANF Eligibility Expansion Creates a More Effective Safety Net

	<b>85% FPL</b> • \$1,033/mth. • \$12,393/yr.	<b>95% FPL</b> • \$1,215/mth. • \$13,851/yr.
	<b>85% FPL</b> • \$1,761/mth. • \$21,1131/yr.	<b>95% FPL</b> • \$1,968/mth. • \$23,617/yr.
	<b>85% FPL</b> • \$2,125/mth. • \$25,500/yr.	<b>95% FPL</b> • \$2,375/mth. • \$28,500/yr.

**Number of Families in New Mexico Receiving AFDC/TANF Cash Assistance for Every 100 Families With Children in Poverty**




Source: [https://www.cbpp.org/sites/default/files/atoms/files/tanf\\_trends\\_nm.pdf](https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_nm.pdf)  
 AFDC: Aid to Families with Dependent Children  
 TANF: Temporary Assistance for Needy Families

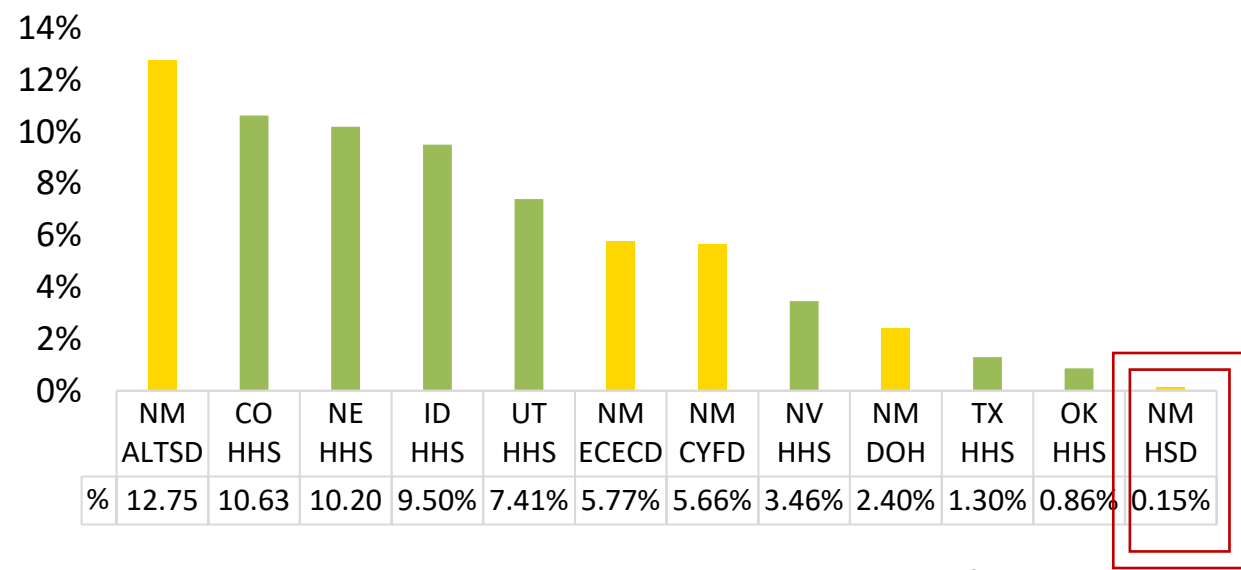




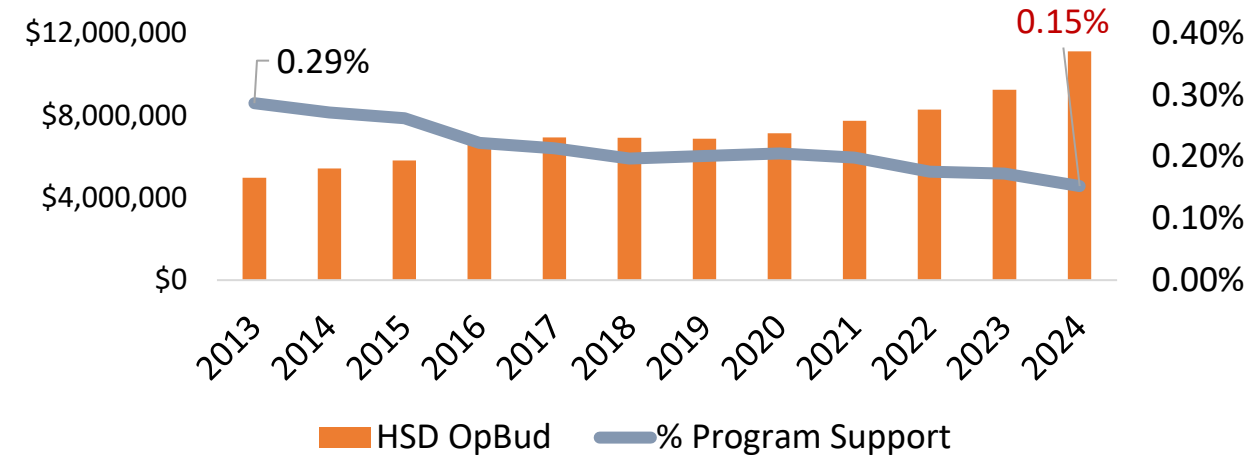
# SETTING UP THE HCA FOR SUCCESS IN FY25

- HCA requires 2,417.5 FTE to achieve its mission.
  - 2.2% of FY25 FTE costs reflect 51 new HCA FTE.
- HCA FY25 staffing plan includes:
  - Moving 404 existing DOH and GSD FTE to HCA.
  - Converting existing 185 HSD & DOH Term FTE to Perm, making recruitment more successful.
  - Reclassifying 54 existing and vacant HSD positions in FY24 to support 51 new HCA FTE.
- At 0.15%, HCA has smallest Program Support budget compared to other agencies. 
  - Human Resources recently onboarded 5 contract staff to support a fully staffed recruitment team of 5 FTE (who are behind on 95 recruitment actions).
- IT will need funding to support incoming DOH and GSD staff and 50+ new IT applications.
- FY25 request includes funding for consultants to advise on health care procurement and negotiate favorable contract terms for state employees.

**NM and State Program Support Budget as Percentage of Agency Overall Budget**




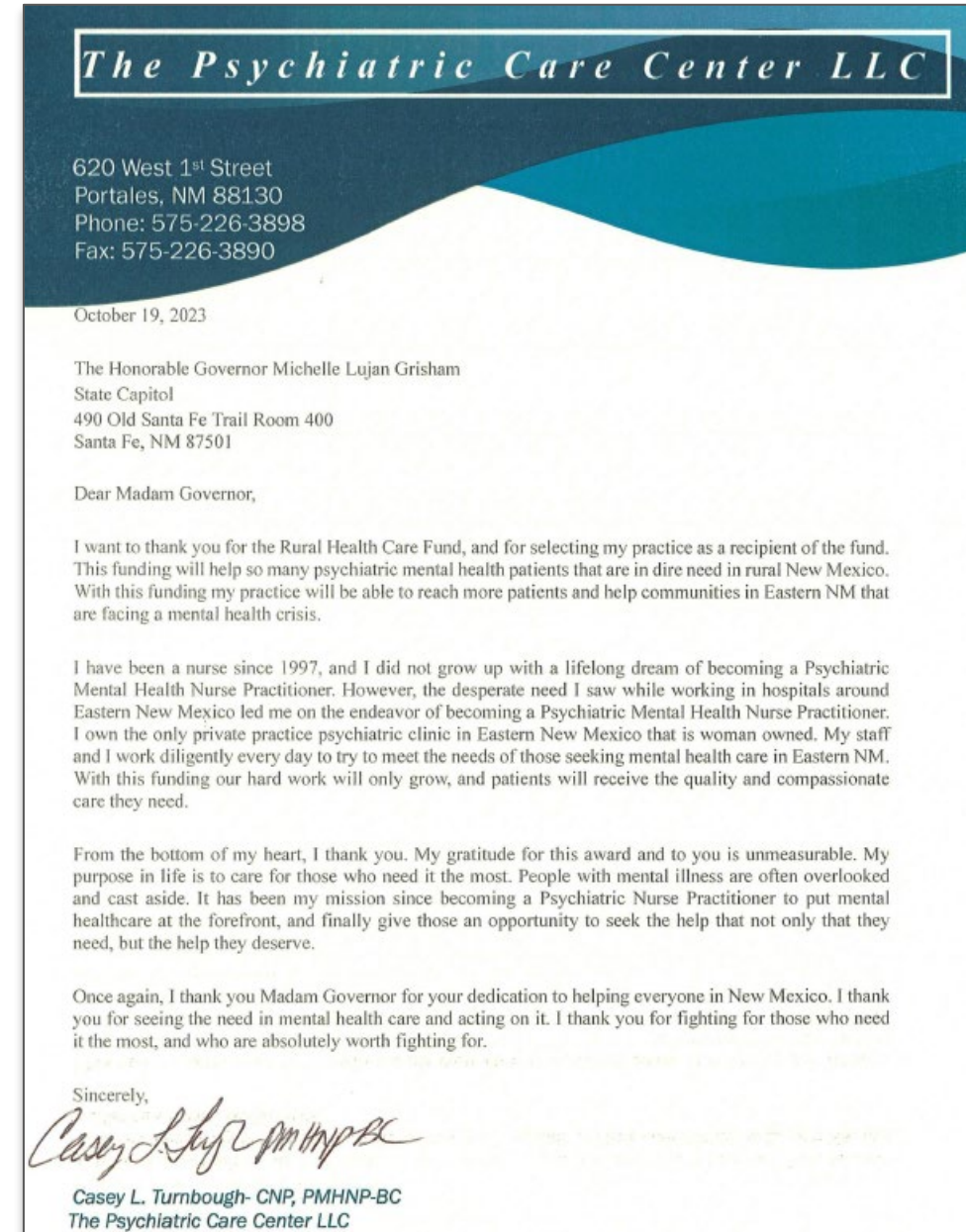
**HSD Program Support Budget as Percentage of Overall Agency Budget (thousands), FYs 2013-24**



# HCA WILL BUILD ON HSD'S SUCCESS

*Since 2019, HSD's dedicated team has worked tirelessly and:*

- Designed Medicaid 1115 waiver application with over 20 initiatives to redesign and enhance healthcare delivery system.
- Executed Medicaid Turquoise Care Managed Care Organization contracts with more stringent accountability requirements and tailored plan designs to better serve New Mexicans.
- Invested \$2.5B in Medicaid reimbursement and increases.
- Launched 988 and significantly expanding behavioral health workforce, reaching more New Mexicans in need.
- Provided safety net services to New Mexicans during pandemic, including to 319,479 new SNAP customers.
- Provided additional \$7M to children through a modernized Child Support program.
- Is on track to provide \$80M to rural providers via Rural Health Care Delivery Fund. 



# HCA IS OPTIMIZING EVERY POSSIBLE FEDERAL DOLLAR FOR HEALTH & HUMAN SERVICES (HHS) AGENCIES SUPPORTING NEW MEXICANS

▪ Since FY23, 6 agencies on track to receive total \$1.4 B Medicaid funding.

▪ Federal share: 73.7% 

*FY25 HCA budget request supports:*

- ALTSD: Elder Rights, Adult Protective Services
- CYFD: Juvenile Justice, Child Protective Services, Behavioral Health
- DDC: Guardianship Services
- DOH: Public Health Services and Admin.
- ECECD: Provider Rates, Home Visiting, Family Infant Toddler Program
- PED: School-based Health Centers and Special Education Services

## Medicaid Funding (\$000 GF & FF) to HHS Agencies, FYs 23–25

*Total = \$1,496,587.4 at 73.7% Avg. Federal Match*

Dollars in Thousands

\$1,600,000.0

\$1,400,000.0

\$1,200,000.0

\$1,000,000.0

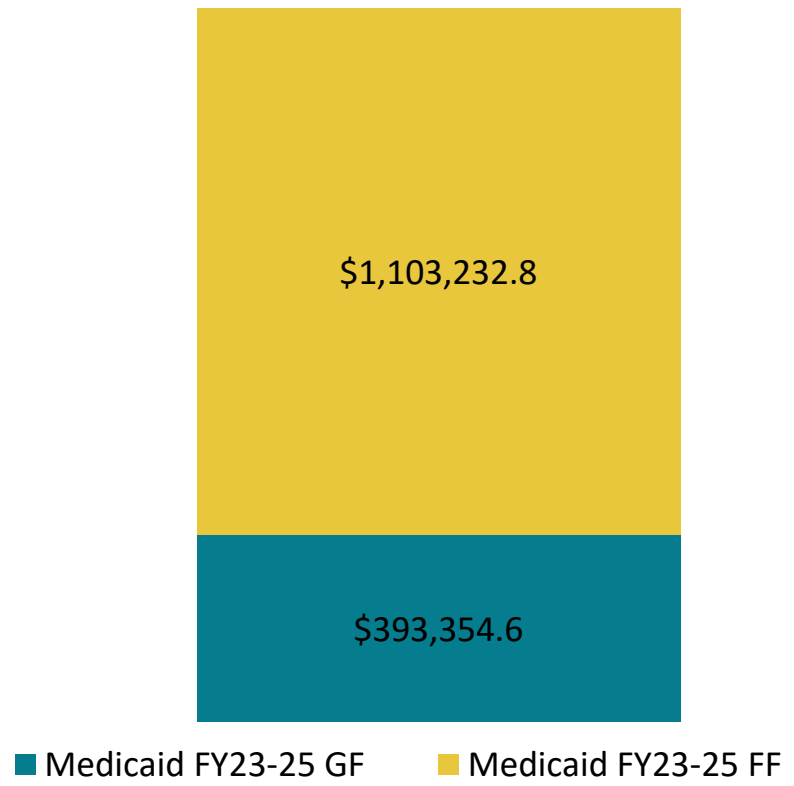
\$800,000.0

\$600,000.0

\$400,000.0

\$200,000.0

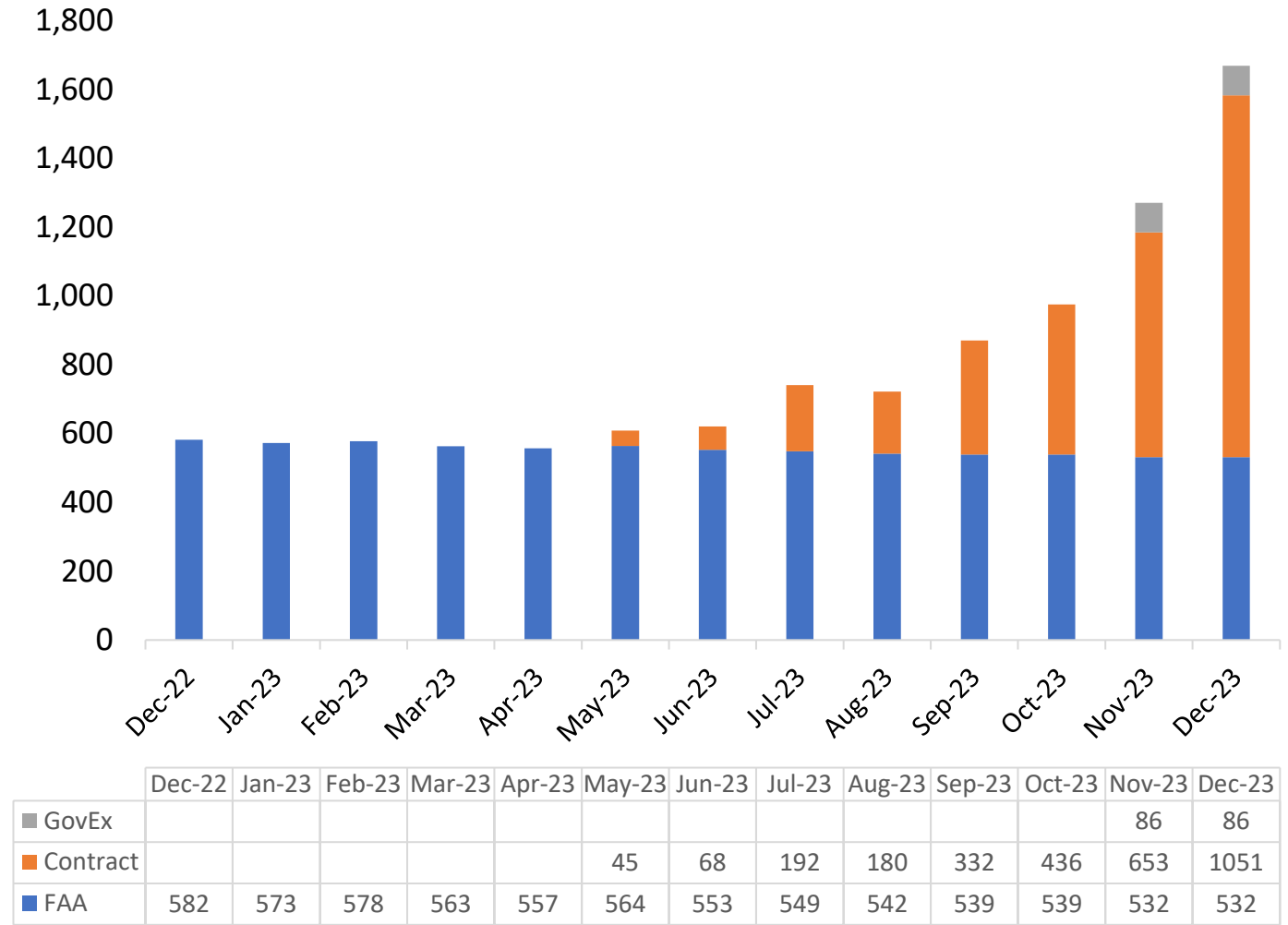
\$0.0



# USING INNOVATIVE STRATEGIES TO SUPPLEMENT PERMANENT WORKFORCE DURING MEDICAID & SNAP UNWINDING

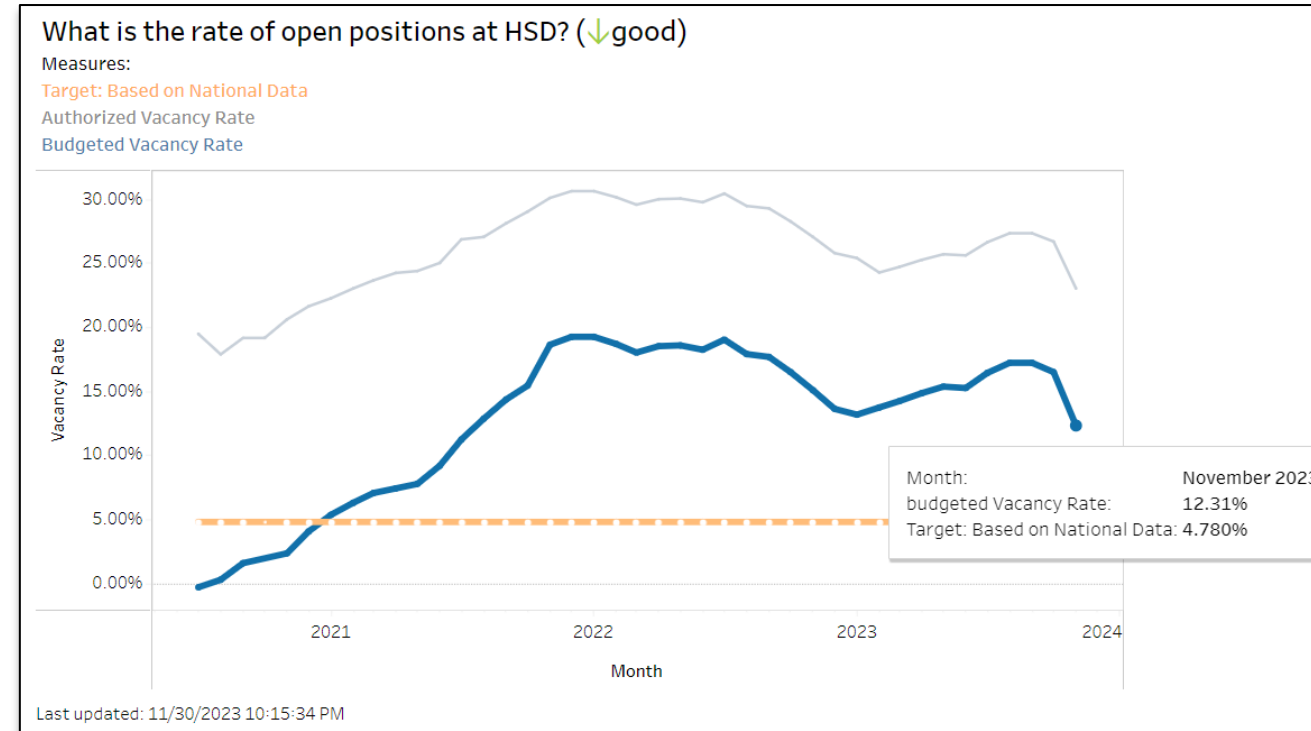
- Since March 2020, the SNAP caseload increased 20.4%, while the number of Income Support Division (ISD) staff declined 25%. Higher SNAP caseload is projected to persist into FY25.
- Since 12/22, HSD has grown its ISD workforce by 186.8%:**
  - Hired 1,051 contract staff in past 10 months, who support Medicaid customers.
  - Created 100 GovEx temporary (6 month) positions, 86 now serving SNAP customers.
  - Recruiting an additional 150 GovEx temporary (6 month) positions to support SNAP customers.
- Providing 8% temporary increase to all ISD field staff (HCA FY25 request includes making this increase permanent).
- By converting 250 GovEx to PERM positions, we can meet increased customer demand.

### Income Support Staff by Type (FTE, Contract, GovEx), Dec. 2022-Dec. 2023



# LOWERING VACANCY RATES ARE AN HCA PRIORITY

- CY 23 budgeted vacancy rate decreased from high of 17.2% to low of 12.3% in Nov. (5.2% decrease).
- To lower vacancy rate, HCA:
  - Is reclassifying 51 vacant and unfunded positions to meet HCA needs in FY24 and FY25.
  - Is converting 121 existing Division of Health Improvement FTE from TERM to PERM to improve long-term recruitment.
  - Held 5 rapid hire events.
- **Without growing HCA's Human Resources team, success is impossible.**
  - FY25 request includes growing HR from 20 authorized FTE to 30.
  - As part of HCA reorganization, HSD received 4 HR staff from DOH and GSD.
- 500+ staff have worked mandatory overtime this year to serve New Mexicans renewing benefits.



Source: <https://sites.google.com/view/nmhsdscorecard/goal-4>




# KEY TAKEAWAYS: INAUGURAL HCA FY25 BUDGET DRIVERS

*FY25 request optimizes General Funds & Federal Funds that address drivers of intergenerational poverty by prioritizing:*

- Medicaid coverage and workforce innovations (\$214 M GF, \$727 M FF, \$941 M TC);
- Creating a more effective safety net (food supports, cash assistance, and child support) (\$52,476.6 GF, \$3,331.1 FF, \$55,807.7 TC); and,
- Setting up the HCA for success (\$9,146.7 GF, \$10,753.9 FF, \$19,900.6 TC).





**HUMAN SERVICES**  
DEPARTMENT

STATE OF NEW MEXICO  
Human Services Department  
Governor Michelle Lujan Grisham  
Kari Armijo, Cabinet Secretary  
Alex Castillo Smith, Deputy Secretary  
Kathy Slater-Huff, Acting Deputy Secretary  
Lorelei Kellogg, Acting Medicaid Director

**FOR IMMEDIATE RELEASE**  
Contact: Marina I Pina  
Communications Director  
[Marina.pina@hsd.nm.gov](mailto:Marina.pina@hsd.nm.gov)

November 30, 2023

**New Mexico Medicaid providers receive \$409 million rate increase**  
*Reinforcing New Mexico's health care workforce*

SANTA FE – Today, the New Mexico Human Services Department (HSD) announced the successful implementation of a substantial \$409 million increase in reimbursement rates for most Medicaid health care providers. This significant investment is designed to fortify and support the health care workforce in New Mexico, ensuring that the state's 869,528 Medicaid customers receive essential health care services.

"We are incredibly proud to have completed the roll-out of these rate increases, a testament to our commitment and support for New Mexico's health care workforce and the state's 896,528 Medicaid customers," said **Kari Armijo**, cabinet secretary for the New Mexico Human Services Department. "This initiative became a reality thanks to the invaluable support, investment and partnership of the governor and the Legislature."

Starting from claims made on July 1, 2023, New Mexico Medicaid providers will see increased payments. This change is the result of a thorough rate benchmarking study that HSD conducted in 2022. Claims for reimbursement have been automatically reprocessed with the rate increases retroactive to July 1.

"Thanks to this substantial funding boost, Medicaid providers across New Mexico will now receive reimbursements at rates as high as 120% of Medicare," said **Lorelei Kellogg**, acting director for the New Mexico Medicaid program. "By elevating rates, New Mexico Medicaid continues to work toward the goal of ensuring that all New Mexicans enrolled in the program have access to vital health care services."

This initiative highlights the agency's continuous efforts to strengthen New Mexico's health care system, ensuring that the most vulnerable populations have uninterrupted access to care. Medicaid providers can expect the effects of these extra funds to kick in as of November 2023.

Child's Family  
Income, Wealth  
& Parental  
Employment

Disparities

Child &  
Parental  
Health



HEALTH CARE  
AUTHORITY

*Investing for tomorrow, delivering today.*

# FY25 HCA REQUEST HELPS THE MILLER FAMILY\*

- With her income and her HCA FY25 safety net, the Miller's cash on-hand increased by 48.5% compared to HSD's FY24 OpBud. They are eligible to receive up to **\$400/mth. in cash assistance, full child support** because they no longer pay fees, and Lesley and Timothy receive **free lunch** during the summer.
  - Lilli manages her benefits online with ease using HCA's Unified Portal.
- With projected, sustained Medicaid rate increases, Lilli's employer is planning to raise her salary.
- Sonya's retiree health insurance premium will decrease because of HCA reforms, which allows her to further support her family.
- A little less stressed, Lilli has more hope that she can one day become a nurse.



	HSD FY24 OpBud	HCA FY25 OpBud	Difference	% Change
Take-Home Pay	\$1,777	\$1,920	\$143	8.0%
Safety Net	\$556	\$799	\$242	43.5%
Expenses	\$3,127	\$3,127	\$0	0%
Monthly Cash on-hand	-\$794	-\$409	-\$385	48.5%
Weekly Cash on-hand	-\$198	-\$102	-\$96	48.5%

	HSD FY24 OpBud	HCA FY25 OpBud	Monthly Difference
Medicaid	Covered	Covered	-
TANF	\$0	\$400	\$400
SNAP	\$446	\$211	-\$235
LIHEAP	\$23	\$18	-\$6
Child Support	\$87	\$170	\$83



\* Based on real HCA clients, whose names and photos are changed.





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# QUESTIONS & COMMENTS

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# APPENDIX

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# APPENDIX

*INVESTING FOR TOMORROW, DELIVERING TODAY.*



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# FEDERAL POVERTY LEVEL (FPL)

Income measure issued annually by US Department of Health & Human Services that determine eligibility for variety of programs and benefits, including but not limited to SNAP and Medicaid.

## 2023 Federal Annual Poverty Guidelines, all states (except Alaska and Hawaii)

Household Size	Household Annual Income & Corresponding Federal Poverty Level													
	25%	50%	75%	100%	125%	130%	133%	135%	138%	150%	175%	180%	185%	200%
1	\$3,645	\$7,290	\$10,935	\$14,580	\$18,225	\$18,954	\$19,391	\$19,683	\$20,120	\$21,870	\$25,515	\$26,244	\$26,973	\$29,160
2	\$4,930	\$9,860	\$14,790	\$19,720	\$24,650	\$25,636	\$26,228	\$26,622	\$27,214	\$29,580	\$34,510	\$35,496	\$36,482	\$39,440
3	\$6,215	\$12,430	\$18,645	\$24,860	\$31,075	\$32,318	\$33,064	\$33,561	\$34,307	\$37,290	\$43,505	\$44,748	\$45,991	\$49,720
4	\$7,500	\$15,000	\$22,500	\$30,000	\$37,500	\$39,000	\$39,900	\$40,500	\$41,400	\$45,000	\$52,500	\$54,000	\$55,500	\$60,000
5	\$8,785	\$17,570	\$26,355	\$35,140	\$43,925	\$45,682	\$46,736	\$47,439	\$48,493	\$52,710	\$61,495	\$63,252	\$65,009	\$70,280
6	\$10,070	\$20,140	\$30,210	\$40,280	\$50,350	\$52,364	\$53,572	\$54,378	\$55,586	\$60,420	\$70,490	\$72,504	\$74,518	\$80,560
7	\$11,355	\$22,710	\$34,065	\$45,420	\$56,775	\$59,046	\$60,409	\$61,317	\$62,680	\$68,130	\$79,485	\$81,756	\$84,027	\$90,840
8	\$12,640	\$25,280	\$37,920	\$50,560	\$63,200	\$65,728	\$67,245	\$68,256	\$69,773	\$75,840	\$88,480	\$91,008	\$93,536	\$101,120
9	\$13,925	\$27,850	\$41,775	\$55,700	\$69,625	\$72,410	\$74,081	\$75,195	\$76,866	\$83,550	\$97,475	\$100,260	\$103,045	\$111,400
10	\$15,210	\$30,420	\$45,630	\$60,840	\$76,050	\$79,092	\$80,917	\$82,134	\$83,959	\$91,260	\$106,470	\$109,512	\$112,554	\$121,680
11	\$16,495	\$32,990	\$49,485	\$65,980	\$82,475	\$85,774	\$87,753	\$89,073	\$91,052	\$98,970	\$115,465	\$118,764	\$122,063	\$131,960
12	\$17,780	\$35,560	\$53,340	\$71,120	\$88,900	\$92,456	\$94,590	\$96,012	\$98,146	\$106,680	\$124,460	\$128,016	\$131,572	\$142,240
13	\$19,065	\$38,130	\$57,195	\$76,260	\$95,325	\$99,138	\$101,426	\$102,951	\$105,239	\$114,390	\$133,455	\$137,268	\$141,081	\$152,520
14	\$20,350	\$40,700	\$61,050	\$81,400	\$101,750	\$105,820	\$108,262	\$109,890	\$112,332	\$122,100	\$142,450	\$146,520	\$150,590	\$162,800

\*As a Medicaid expansion state, New Mexicans earning whose income is below 138% FPL qualify for Medicaid based only on their income.

Source: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>



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## 2023 Federal Monthly Poverty Guidelines, all states (except Alaska and Hawaii)

Household Size	Household Monthly Income & Corresponding Federal Poverty Level													
	25%	50%	75%	100%	125%	130%	133%	135%	138%*	150%	175%	180%	185%	200%
1	\$304	\$608	\$911	\$1,215	\$1,519	\$1,580	\$1,616	\$1,640	\$1,677	\$1,823	\$2,126	\$2,187	\$2,248	\$2,430
2	\$411	\$822	\$1,233	\$1,643	\$2,054	\$2,136	\$2,186	\$2,219	\$2,268	\$2,465	\$2,876	\$2,958	\$3,040	\$3,287
3	\$518	\$1,036	\$1,554	\$2,072	\$2,590	\$2,693	\$2,755	\$2,797	\$2,859	\$3,108	\$3,625	\$3,729	\$3,833	\$4,143
4	\$625	\$1,250	\$1,875	\$2,500	\$3,125	\$3,250	\$3,325	\$3,375	\$3,450	\$3,750	\$4,375	\$4,500	\$4,625	\$5,000
5	\$732	\$1,464	\$2,196	\$2,928	\$3,660	\$3,807	\$3,895	\$3,953	\$4,041	\$4,393	\$5,125	\$5,271	\$5,417	\$5,857
6	\$839	\$1,678	\$2,518	\$3,357	\$4,196	\$4,364	\$4,464	\$4,532	\$4,632	\$5,035	\$5,874	\$6,042	\$6,210	\$6,713
7	\$946	\$1,893	\$2,839	\$3,785	\$4,731	\$4,921	\$5,034	\$5,110	\$5,223	\$5,678	\$6,624	\$6,813	\$7,002	\$7,570
8	\$1,053	\$2,107	\$3,160	\$4,213	\$5,267	\$5,477	\$5,604	\$5,688	\$5,814	\$6,320	\$7,373	\$7,584	\$7,795	\$8,427
9	\$1,160	\$2,321	\$3,481	\$4,642	\$5,802	\$6,034	\$6,173	\$6,266	\$6,406	\$6,963	\$8,123	\$8,355	\$8,587	\$9,283
10	\$1,268	\$2,535	\$3,803	\$5,070	\$6,338	\$6,591	\$6,743	\$6,845	\$6,997	\$7,605	\$8,873	\$9,126	\$9,380	\$10,140
11	\$1,375	\$2,749	\$4,124	\$5,498	\$6,873	\$7,148	\$7,313	\$7,423	\$7,588	\$8,248	\$9,622	\$9,897	\$10,172	\$10,997
12	\$1,482	\$2,963	\$4,445	\$5,927	\$7,408	\$7,705	\$7,882	\$8,001	\$8,179	\$8,890	\$10,372	\$10,668	\$10,964	\$11,853
13	\$1,589	\$3,178	\$4,766	\$6,355	\$7,944	\$8,262	\$8,452	\$8,579	\$8,770	\$9,533	\$11,121	\$11,439	\$11,757	\$12,710
14	\$1,696	\$3,392	\$5,088	\$6,783	\$8,479	\$8,818	\$9,022	\$9,158	\$9,361	\$10,175	\$11,871	\$12,210	\$12,549	\$13,567

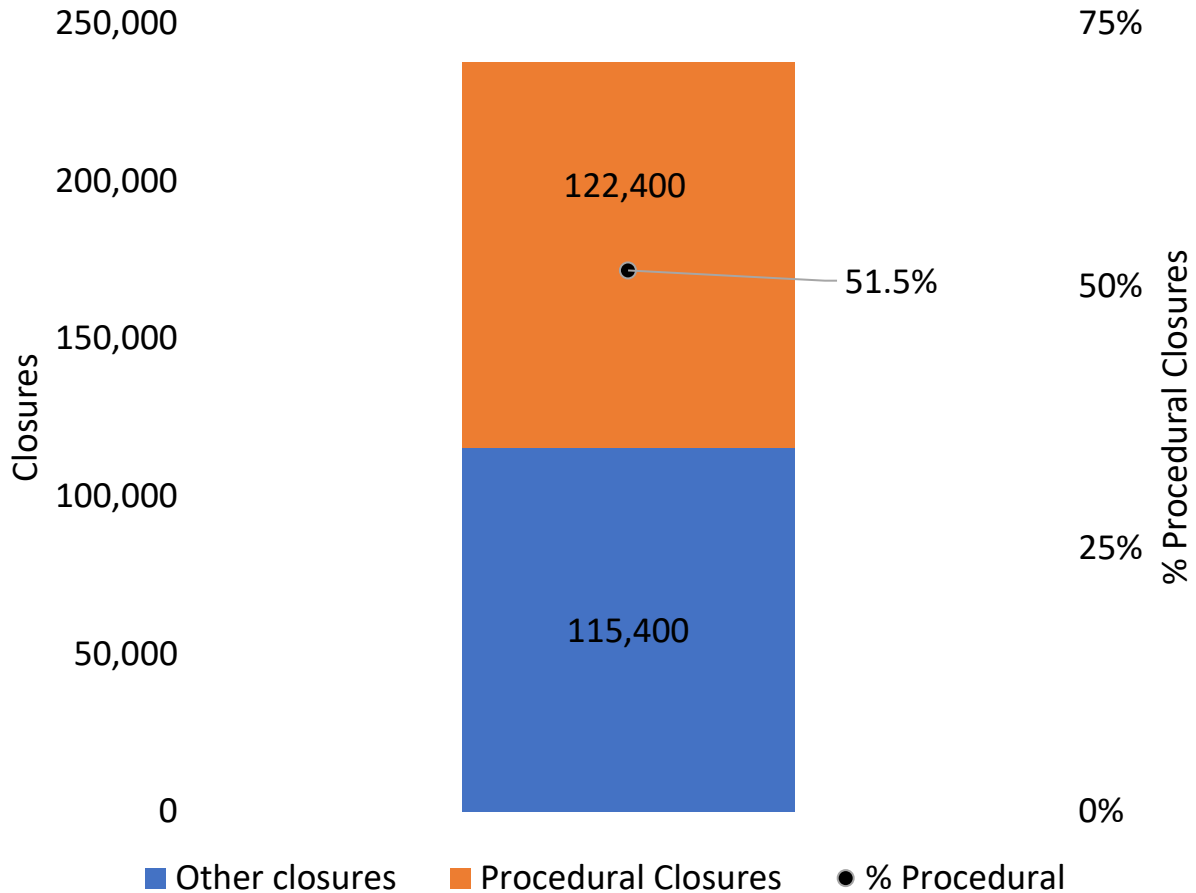
\*As a Medicaid expansion state, New Mexicans earning whose income is below 138% FPL qualify for Medicaid based only on their income.

Source: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

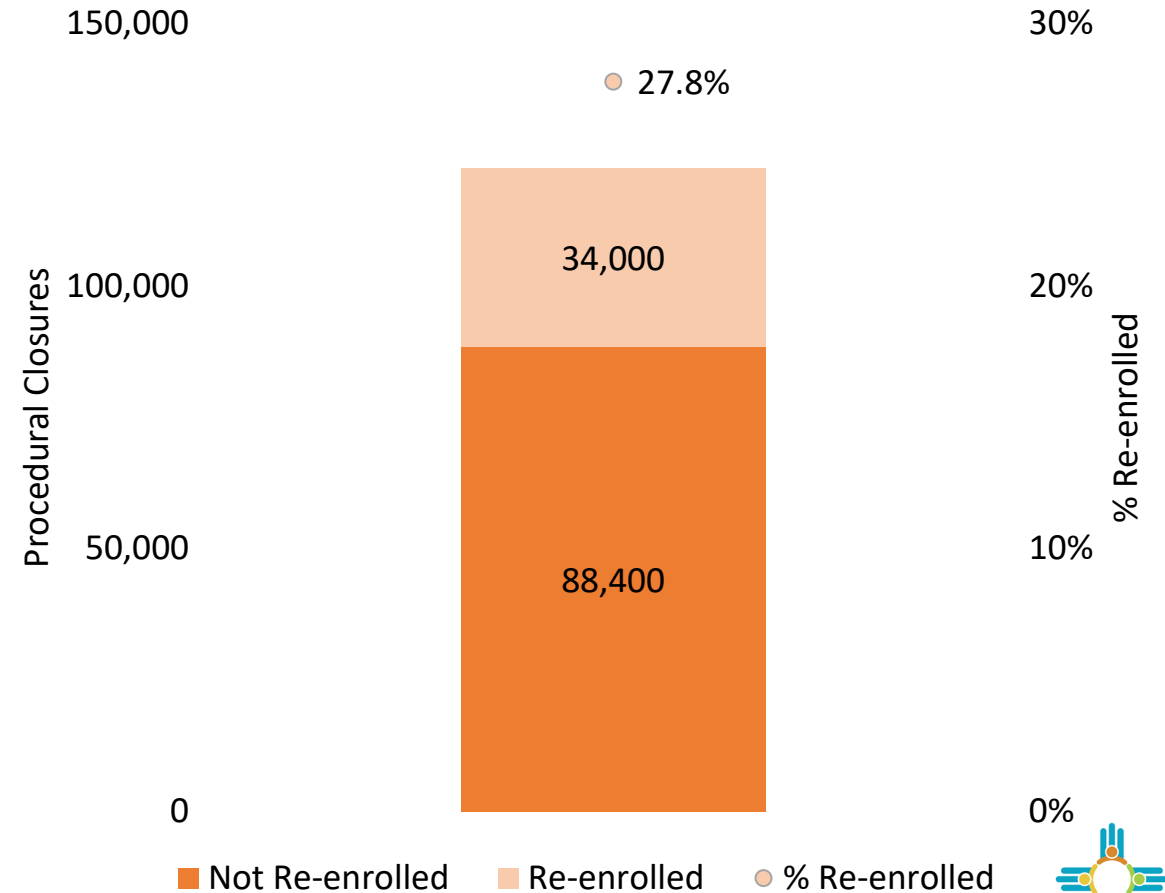


# NM MEDICAID TOTAL CLOSURES & RE-ENROLLMENTS

### NM Medicaid Closures by Type Since Apr. 2023

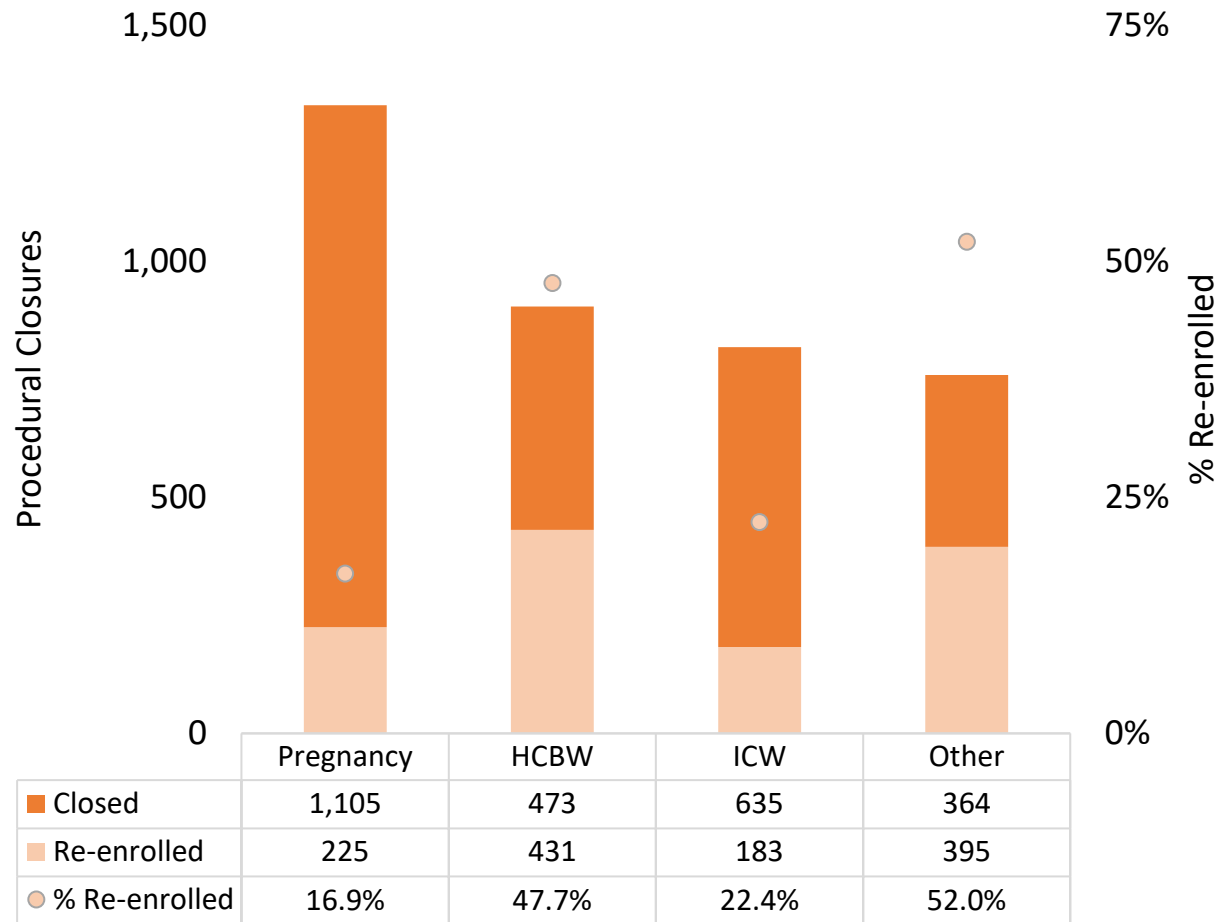


### NM Medicaid Procedural Closures by Re-enrollment Status Since Apr. 2023

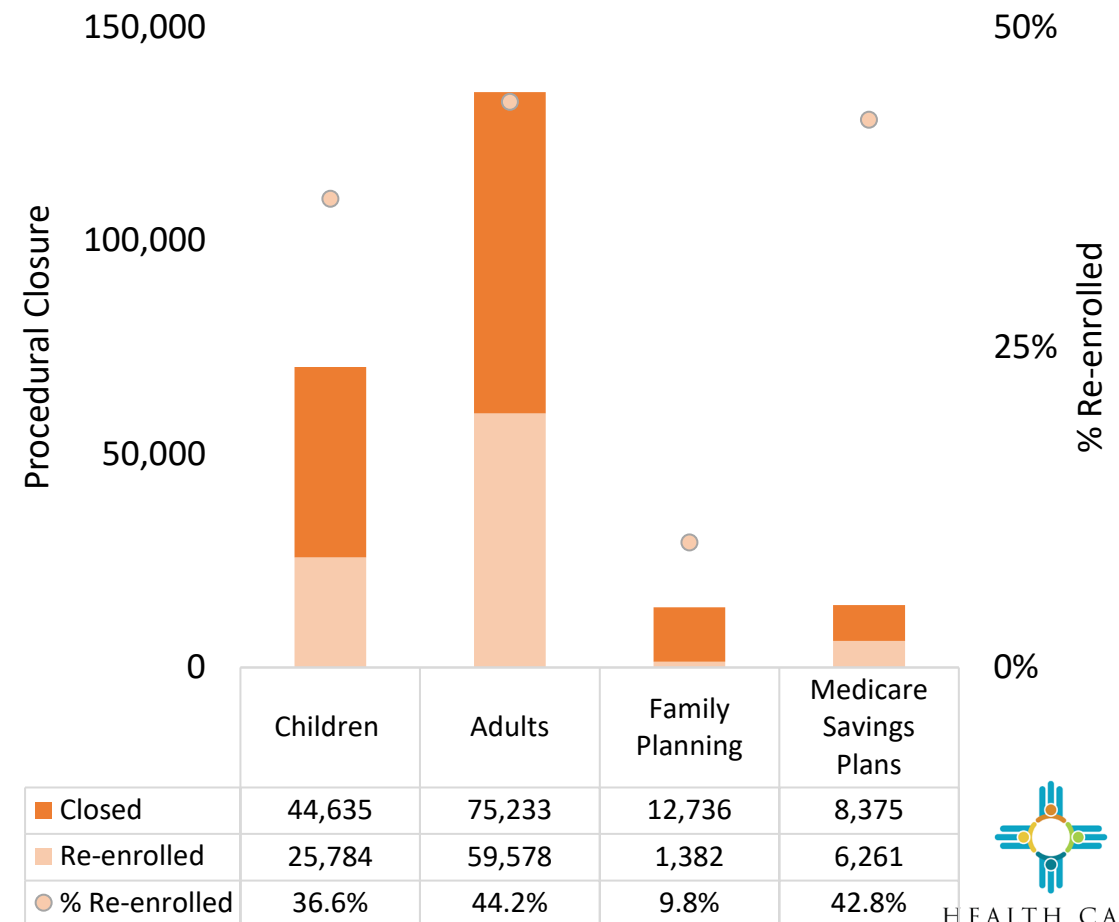


# NM MEDICAID PROCEDURAL CLOSURES BY CATEGORY & RE-ENROLLMENT STATUS, SINCE APR. 2023

### NM Medicaid Procedural Closures by Category Type & Re-enrollment Status, Since Apr. 2023



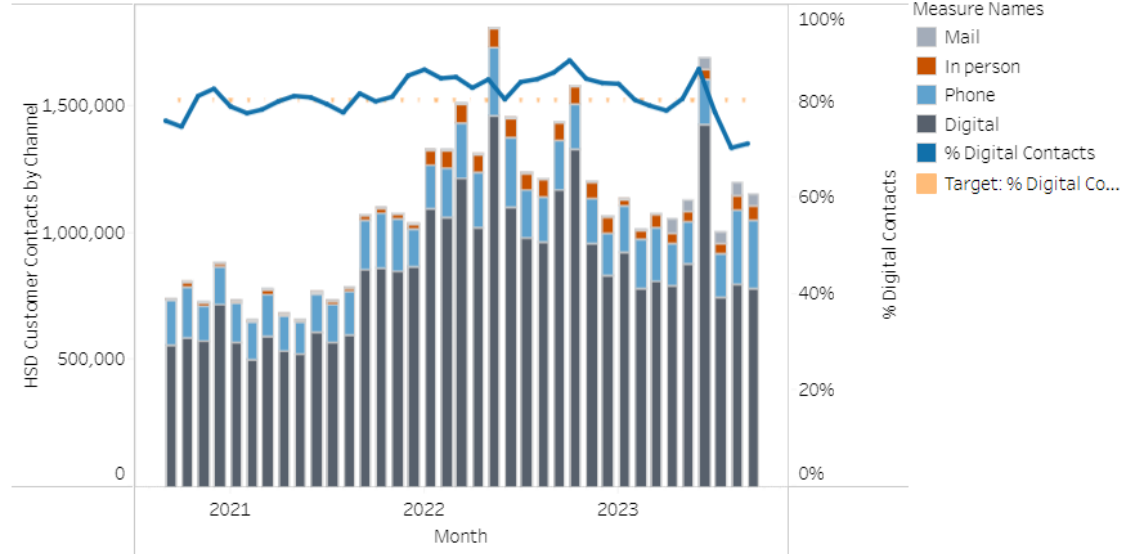
### NM Medicaid Procedural Closures by Category Type & Re-enrollment Status, Since Apr. 2023





# ALTHOUGH MOST CUSTOMERS CONTACT HCA DIGITALLY, PHONE CONTACTS HAVE INCREASED DURING UNWINDING

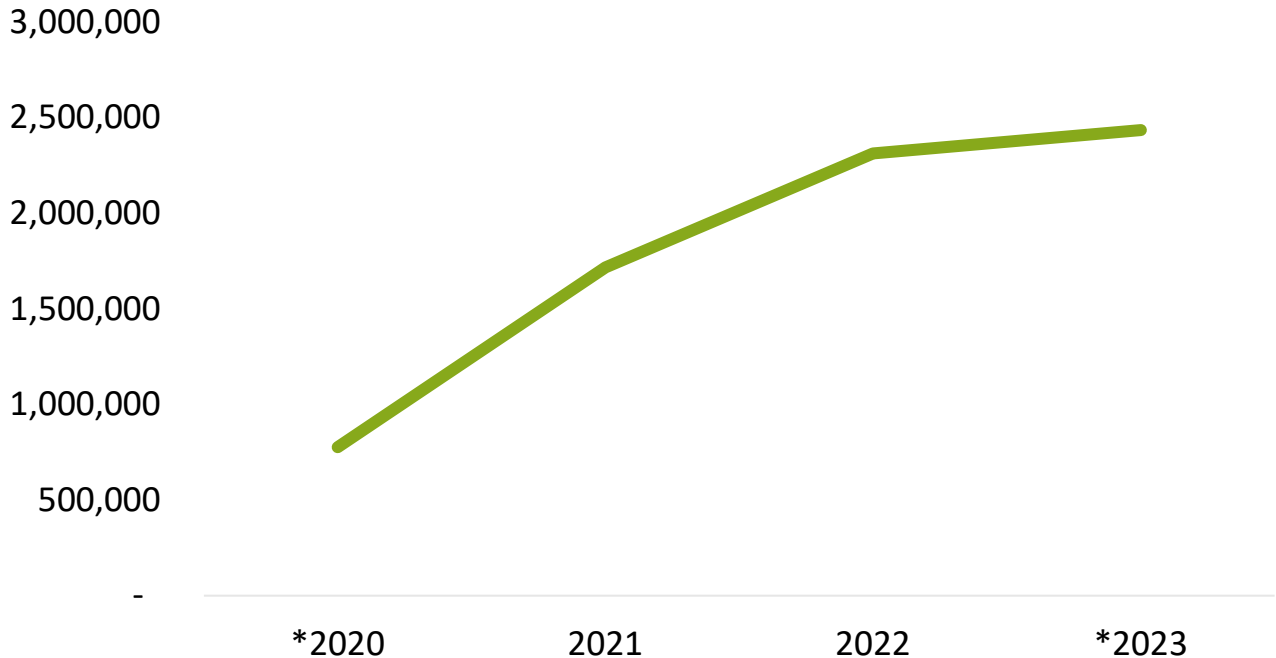
How often are people like me contacting HSD online, via the phone, and in person or by mail? (↑good)



Data updated: 11/13/2023 5:46:54 PM

Source: <https://sites.google.com/view/nmhdscorecard/goal-2>

## HSD Customer Call Center Annual Volume, 2020-23



\*2020 implementation 6/2020

\*2023 data as of 12/8/2023

Source: HCA Analysis



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## APPENDIX

### FY25 BUDGET REQUEST SUMMARIES BY DIVISION

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

# HCA FY25 BASE REQUEST BY P-CODE

Division	HCA FY25 Base Request (thousands)			
	General Fund	Federal + Other Funds	Total Funds	GF Increase
Program Support (P522)	\$5,306.2	\$13,054.5	\$18,360.7	\$1,189.2
Information Technology Division (P522)	\$24,144.7	\$51,242.3	\$75,387.0	\$4,780.8
Child Support Services (P523)	\$13,340.2	\$28,796.9	\$42,137.1	\$699.2
Medicaid Admin (P524)	\$34,454.7	\$112,981.4	\$147,436.1	\$8,020.2
Medicaid and Medicaid BH (P524 & P766)	\$1,799,828.0	\$7,961,692.1	\$9,761,520.1	\$350,078.2
Developmental Disabilities Supports Division	\$19,686.9	\$19,871.5	\$39,558.4	(\$174,432.1)
Division of Health Improvement	\$10,412.5	\$10,068.5	\$20,481.0	364.6
State Employee Health Benefits	\$3,295.7	\$476,072.3	\$479,368.0	\$2,122.4
Income Support Admin (P525)	\$44,101.5	\$82,743.0	\$126,844.5	\$3,102.2
Income Support Program (P525)	\$20,201.4	\$1,189,806.2	\$1,210,007.6	\$0.0
Behavioral Health Services Admin (P767)	\$13,920.8	\$3,104.4	\$17,025.2	\$381.4
Behavioral Health Services Program (P767)	\$57,762.9	\$22,604.6	\$80,367.5	\$12,421.5
<b>Total</b>	<b>\$2,046,455.5</b>	<b>\$9,972,037.7</b>	<b>\$12,018,493.2</b>	<b>\$208,727.6</b>



# HCA FY 2025 BASE BUDGET REQUEST BY PROGRAM

Program	New Mexicans Served, 11/23+	FY25 Request GF (000)	FY25 Request GF + OSF + Fed (000)	% of Total Budget
Medicaid (MCO+ FFS)	911,229*	\$1,565,225.0	\$8,912,438.1	74.2%
Developmental Disabilities Waiver Program	7,319	\$234,603.0	\$849,082.0	7.1%
Health Care Facility Survey & Certification	-	\$13,325.6	\$23,394.1	0.2%
State Employee Health Benefits	57,375	\$3,295.7	\$479,368.0	4.0%
SNAP (food benefits)	461,448	\$3,485.0	\$1,008,034.1	8.4%
TANF (cash and non-cash assistance)	18,574	\$1,972.2	\$128,041.4	1.1%
CSSD (child support)	186,739	\$13,575.0	\$42,827.7	0.4%
BHSD (behavioral health)	29,313	\$71,683.7	\$97,392.7	0.8%
LIHEAP (utility assistance)	10,555	\$0.0	\$18,982.6	0.2%
All Other	**	\$139,290.3	\$458,932.5	3.8%
<b>TOTAL</b>		<b>\$2,046,455.5</b>	<b>\$12,018,493.2</b>	<b>100%</b>

+Unduplicated customer count.

\*Based on September 2023 data Medicaid enrollment projection.

\*\*Medicare Savings Program and P-EBT customers.



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# HCA FY25 EXPANSION REQUEST

Division	HSD FY24 Expansion Request (thousands)			% Over GF Base Request	Details
	GF	FF	TC		
*Division of Health Improvement	\$2,611.4	\$0.0	\$2,611.4	26.0%	Funding for 10 new FTE and several contracts to support and meet regulatory oversight of facilities, laboratories, and community programs.
*Program Support	\$2,167.3	\$2,460.7	\$4,628.0	52.6%	Funding for 31 existing positions needed for HCA reorganization. An expanded Program Support team will improve operational efficiency, ensure regulatory compliance, provide responsible fiscal management, mitigate risks, and successfully recruit and retain HCA staff.
*Information Technology	\$3,157.5	\$5,994.8	\$9,152.3	16.3%	Successfully integrating GSD and DOH partners into the HCA will require additional software and IT infrastructure support.
*Information Technology	\$1,210.5	\$2,298.4	\$3,508.9	6.3%	Funding for 10 existing positions so support the Data Analytics Organization which will be responsible for the creation and maintenance of the Analytics Organization Hub & Spoke Model.
Child Support Services	\$234.8	\$455.8	\$690.6	1.9%	Eliminate fees (e.g. paternity test fees, court order fees) charged to child support families, which deter many lower-income families from enrolling in the first place. By removing these fees, more families will participate in the program and more New Mexican children will receive needed child support.
Medicaid Admin	\$222.4	\$222.4	\$444.8	0.8%	Funding for 4 existing positions needed to monitor, assist and track Managed Care Organizations (MCO). The forthcoming Turquoise Care will include 4 MCOs.

\*New requests due to transition into Health Care Authority.

# HCA FY25 EXPANSION REQUEST

HSD FY24 Expansion Request (thousands)					
Division	General Fund	Federal Fund	Total Funds	% Over GF Base Request	Details
Medicaid Program	\$187,755.0	\$611,562.2	\$799,317.2	13%	Funding for provider rate increases and new provider benefits.
Income Support Admin.	\$700.0	\$0.0	\$700.0	1.7%	Implement SNAP Restaurant Meals Pilot, which expands food and meal purchasing options and addresses issues of mobility and transportation for historically underserved populations by allowing older adults, people with disabilities, and people experiencing homelessness to use their SNAP benefits to purchase hot prepared meals from participating establishments. This Pilot could serve up to 151,593 NM SNAP customers.
Income Support Admin.	\$310.0	\$0.0	\$310.0	0.8%	Implement Summer EBT, which provides food support to families who qualify for free or reduced-price meals during the summer when school is closed. Estimated 252,000 children in NM will receive \$120 for the summer.
Income Support Program	\$29,772.5	\$0.0	\$29,772.5	147.4%	Funding to increase benefits to the Elderly and/or Disabled SNAP households increasing the minimum benefit from \$24 to \$150 per month. Increasing the minimum benefit for this population provides an increased grocery budget to purchase healthier foods in turn improving physical and mental wellbeing.
Income Support Program	\$22,924.4	\$0.0	\$22,924.4	113.5%	Temporary Assistance for Needy Families (TANF) Cash Assistance, the primary program for families with children to provide increased assistance with 95% FPG per year.
<b>Total</b>	<b>\$251,065.8</b>	<b>\$622,994.3</b>	<b>\$874,060.1</b>	<b>13.7%</b>	

# MEDICAID FY25 EXPANSION REQUESTS

Expansions: Provider expansion and support	Effective Date	FY2025 GF	FY2025 FF	FY2025 TC
Pay parity reimbursement increases for non-physician practitioners (PA, CNS, CNP, CRNA, AA, midwife, audiologist, dietician, dental hygienist, LCSW, counselors)	FY25	\$97,536	\$255,502	\$353,038
Silver Diamine Fluoride	1/1/2024	\$242,293	\$634,707	\$877,000
Doulas & Lactation Consultants	FY25	\$5,801,775	\$15,198,225	\$21,000,000
Acupuncture	FY25	\$7,686,289	\$20,134,863	\$27,821,151
Expanding vision benefits to adults 20 and over (includes all eligibility categories)	FY25	\$810,787	\$2,123,923	\$2,934,710
<b>Total</b>		<b>-\$14,638,679</b>	<b>\$38,347,220</b>	<b>\$52,985,899</b>



# HCA PROGRAM SUPPORT (P522) FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
Program Support – New funds to lower vacancy rate by 3 FTE and to facilitate the expansion of 31 FTE for Program Support within the Health Care Authority.	3,356.4	GF
ITD – To enhance our technology infrastructure to maintain and improve performance, increased budget for software and services is essential to ensure ongoing operations and continual innovation.	2,737.4	GF
ITD – Maintenance and Operations (M&O) of shared modules (System Integration Platform, Electronic Content Management, Unified Portal, Data Services).	1,750.0	GF
ITD – DOH FTE moving from DDSD and DHI to Information Technology Division (ITD).	293.5	GF
ITD – New funds to facilitate the expansion of 13 FTE Information Technology Division (ITD). within the Health Care Authority.	3,157.5	GF
ITD – to build a Data Analytics Organization which will be responsible for the creation and maintenance of the Analytics Organization Hub & Spoke Model.	1,210.5	GF
<b>Total</b>	<b>12,503.3</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA- Program Support/ITD	63000					
	General Fund	\$21,628.0	\$23,480.9	\$35,986.2	\$12,505.3	53.3%
	Federal/Other Funds	\$53,847.8	\$53,354.1	\$75,050.7	\$21,696.6	40.7%
	<b>GRAND TOTAL</b>	<b>\$75,475.8</b>	<b>\$76,835.0</b>	<b>\$111,036.9</b>	<b>\$34,201.9</b>	<b>44.5%</b>
			\$0.0			
	200-PS & EB	\$18,667.4	\$20,811.7	\$26,566.8	\$5,755.1	27.7%
	300 - Contracts	\$38,312.4	\$40,906.6	\$59,647.7	\$18,741.1	45.8%
	400 - Other	\$18,496.0	\$15,116.7	\$24,822.4	\$9,705.7	64.2%
	500 - Other Financing Uses	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
	<b>GRAND TOTAL</b>	<b>\$75,475.8</b>	<b>\$76,835.0</b>	<b>\$111,036.9</b>	<b>\$34,201.9</b>	<b>44.5%</b>
	Authorized FTE	245	249	300	51	20.5%

\*Items that need to be addressed in FY25





# HCA CHILD SUPPORT SERVICES DIVISION (P523) FY25 BUDGET REQUEST 41

## REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
Eliminate program and service fees charged to non-TANF and non-Medicaid families for full child support services.	234.8	GF
Consolidated Customer Service Center (CCSC)	699.2	GF
<b>TOTAL</b>	<b>934.0</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - Child Support Services Division	63000					
	General Fund	\$10,843.3	\$12,641.0	\$13,575.0	\$934.0	7.4%
	Federal/Other Funds	\$25,147.5	\$27,329.3	\$29,252.7	\$1,923.4	7.0%
	<b>GRAND TOTAL</b>	<b>\$35,990.8</b>	<b>\$39,970.3</b>	<b>\$42,827.7</b>	<b>\$2,857.4</b>	<b>7.1%</b>
	200-PS & EB	\$22,032.7	\$24,960.2	\$24,960.2	\$0.0	0.0%
	300 - Contracts	\$9,292.5	\$10,353.1	\$13,210.5	\$2,857.4	27.6%
	400 - Other	\$4,665.6	\$4,657.0	\$4,657.0	\$0.0	0.0%
	500 - Other Financing Uses	\$0.0	\$0.0	\$0.0		
	<b>GRAND TOTAL</b>	<b>\$35,990.8</b>	<b>\$39,970.3</b>	<b>\$42,827.7</b>	<b>\$2,857.4</b>	<b>7.1%</b>
	Authorized FTE	370	370	340	-30	-8.1%

\*Items that need to be addressed in FY25



# HCA MEDICAID ADMIN. (P524) FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
Funding to maintain and lower vacancy rate provide funding for growth to the program with staff managers and financial support. 180 FTE and a vacancy rate of 19%	1,906.3	GF
Contracts to support contractual growth: (1) Primary Care Residency Expansion contracts, (2) Mail Services contract, and (3) the External Quality Review Provider contract. (4) UNM Centers for Health Policy	3,630.3	GF
Medicaid Management Replacement Services Maintenance & Operations	1,187.5	GF
Consolidated Customer Service Center (CCSC)	1,296.1	GF
Additional FTE for New Managed Care Organizations (MCOs) – Four additional FTEs to manage MCOs.	222.4	GF
<b>Total</b>	<b>8,242.6</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
Assistance Division	63000					
	General Fund	\$17,788.1	\$26,434.5	\$34,677.1	\$8,242.6	31.2%
	Federal/Other Funds	\$89,971.9	\$115,032.4	\$113,203.8	(\$1,828.6)	-1.6%
	<b>GRAND TOTAL</b>	<b>\$107,760.0</b>	<b>\$141,466.9</b>	<b>\$147,880.9</b>	<b>\$6,414.0</b>	<b>4.5%</b>
	200-PS & EB	\$13,252.2	\$16,996.8	\$19,237.3	\$2,240.5	13.2%
	300 - Contracts	\$69,518.1	\$87,429.7	\$106,812.9	\$19,383.2	22.2%
	400 - Other	\$24,719.4	\$37,040.4	\$21,830.7	(\$15,209.7)	-41.1%
	500 - Other Financing Uses	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
	<b>GRAND TOTAL</b>	<b>\$107,489.7</b>	<b>\$141,466.9</b>	<b>\$147,880.9</b>	<b>\$6,414.0</b>	<b>4.5%</b>
		-	-	0.00		
	Authorized FTE	219.5	221.5	225.5	4	1.8%

\*Items that need to be addressed in FY25

# HCA MEDICAID PROGRAM (P524) & MEDICAID BEHAVIORAL HEALTH (P766) FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
MAD is requesting over \$500 million increase from the general fund for programmatic changes. This is consistent with growth in Medicaid enrollment during the Federal Public Health Emergency (PHE) and an expected change in enrollment as the PHE unwinding occurs in FY24. This request also reflects a 2.6% increase due to healthcare cost growth, programmatic changes. The decrease in the FMAP & EEMAP accounts for \$68.9 million of the request. \$177.3 million in provider rate increases and another \$10.5 million for new provider benefits are also in this request. \$67.5 million for HCBW to support no wait list, rate increases and replacement of ARPA funds and \$167 million to move the HCBW budget from DDSD to MAD.	537,833	General Fund
<b>Total</b>		

\*Items that need to be addressed in FY24

Agency Briefing Sheet (in the thousands)

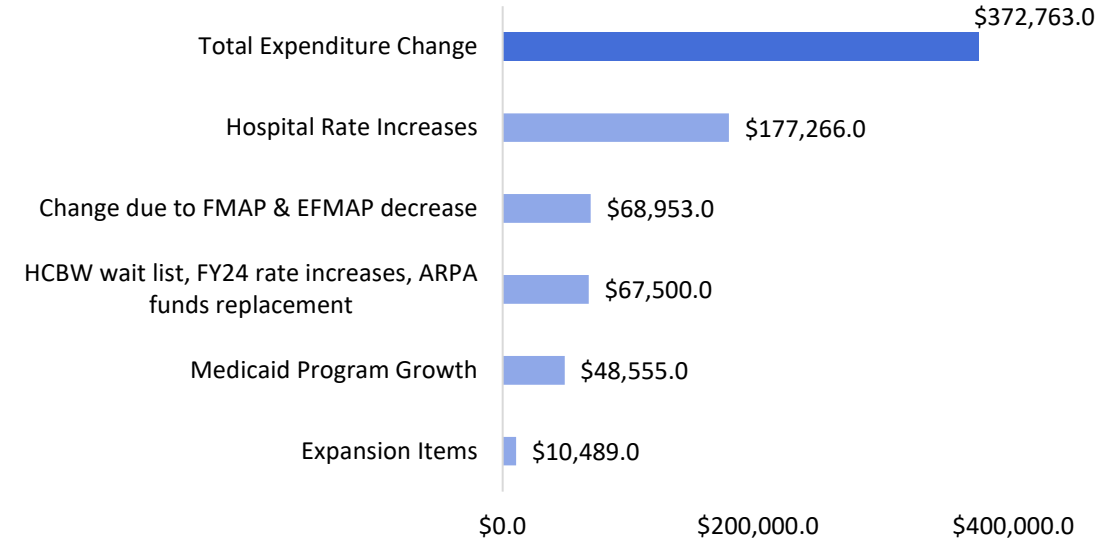
AGENCY	BU					
HCA - Medical Assistance & Medicaid Behavioral Health Divisions	63000	FY23 ACTUALS	FY24 OPBUD*	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
General Fund		\$1,166,687.0	\$1,449,749.8	\$1,987,583.0	\$537,833.2	37.1%
Federal/Other Funds		\$7,751,840.0	\$7,395,782.1	\$8,573,254.3	\$1,177,472.2	15.9%
<b>GRAND TOTAL</b>		<b>\$8,918,527.0</b>	<b>\$8,845,531.9</b>	<b>\$10,560,837.3</b>	<b>\$1,715,305.4</b>	<b>19.4%</b>
200-PS & EB						
300 - Contracts		\$41,211.4	\$43,672.8	\$52,698.3	\$9,025.5	20.7%
400 - Other		\$8,877,315.6	\$8,801,859.1	\$10,508,139.0	\$1,706,279.9	19.4%
500 - Other Financing Uses		\$0.0	\$0.0			
<b>GRAND TOTAL</b>		<b>\$8,918,527.0</b>	<b>\$8,845,531.9</b>	<b>\$10,560,837.3</b>	<b>\$1,715,305.4</b>	<b>19.4%</b>



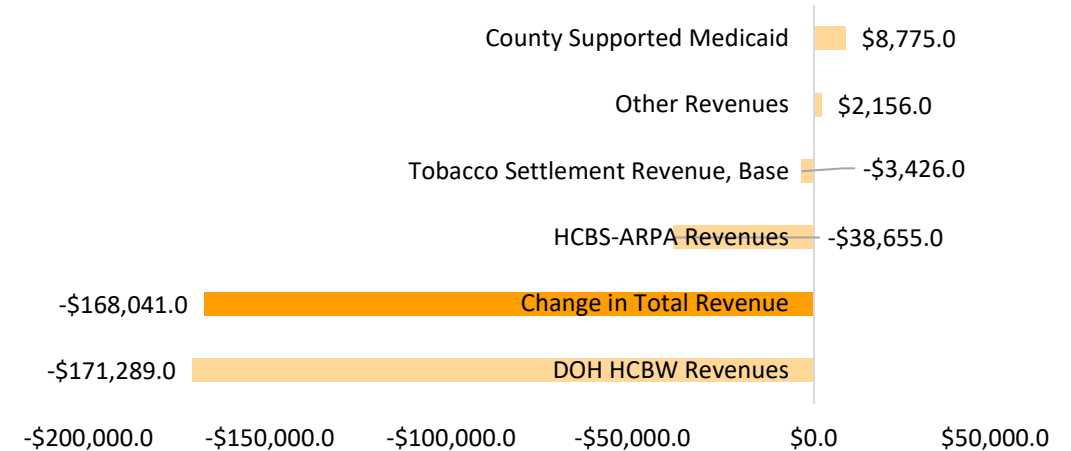
# FY25 MEDICAID SHORTFALL DRIVERS (9/23 SUBMISSION)

What is built into the FY2025 Shortfall:	GF (\$000s)	% Total
Change due to decrease in FMAP & EFMAP (preliminary FMAP used in budget request)	68,953	18.5%
Expansion items	10,489	2.8%
Hospital & Provider Rate Increases	177,266	47.6%
HCBW add need to support no wait list, rate increases from FY24, replace ARPA funds.	67,500	18.1%
MAD Program Growth	48,555	13.0%
<b>Change in Total Expenditures</b>	<b>372,762</b>	<b>100.0%</b>
DOH HCBW Revenues	(171,289)	
HCBS-ARPA Revenues	(38,655)	
County Supported Medicaid Fund	8,755	
Tobacco Settlement Revenue, Base	(3,426)	
Safety Net Care Pool (SNCP)	34,399	
Other Revenues	2,156	
GF to Support HCBW (Previous DOH FY24)	-	
<b>Change in Total Revenues</b>	<b>(168,041)</b>	
<b>Total Changes Since Previous FY2024 Projection</b>	<b>554,028</b>	
FY2024 Projected Surplus / (Shortfall)	(5,766)	
<b>FY2025 Projected Surplus / (Shortfall)</b>	<b>(379,511)</b>	
<b>FY2025 Projected Surplus / (Shortfall) w/o GF to Support HCBW \$167M</b>	<b>(546,569)</b>	

FY25 Medicaid GF Change in Expenditures (\$000s)



FY25 Medicaid GF Change in Total Revenues (\$000s)

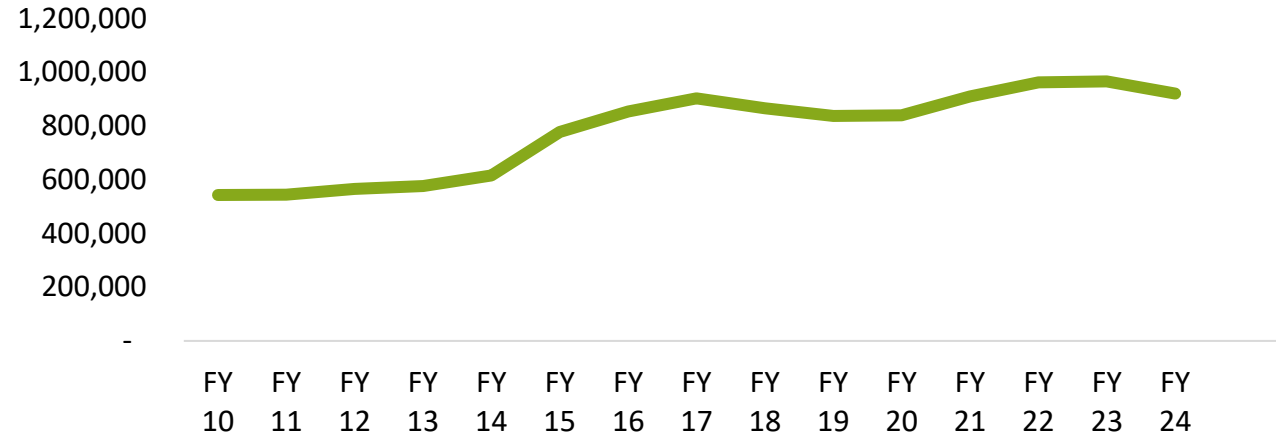


# MEDICAID ENROLLMENT DRIVERS

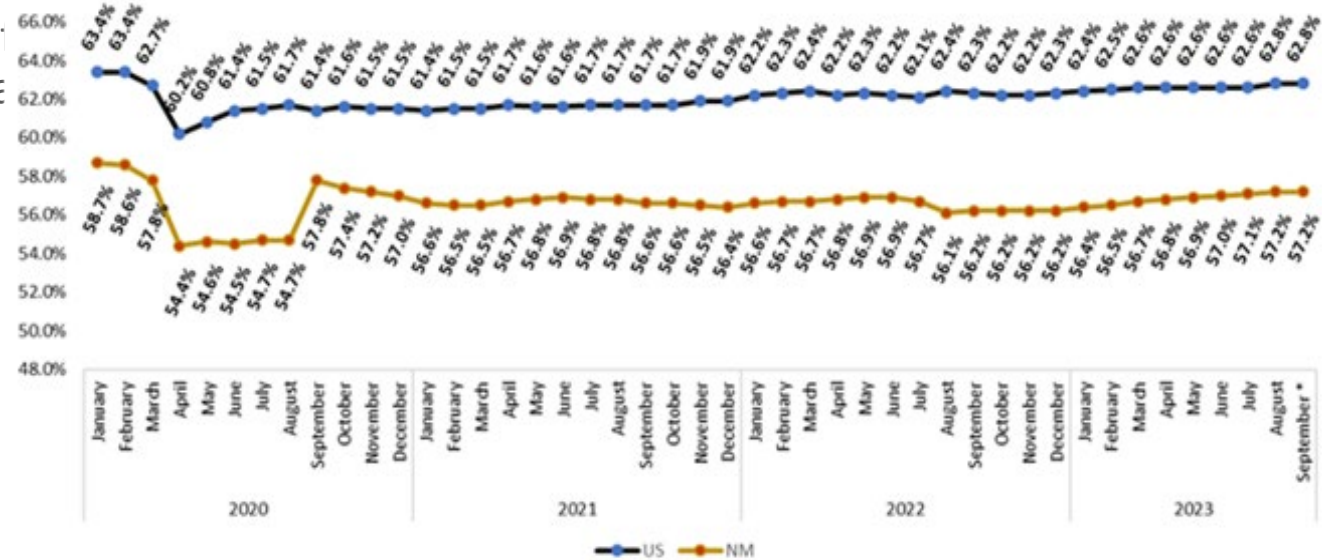
*Growth in Medicaid/CHIP enrollment through 9/23 reflects*

- Growth through March 2023 reached 1,001,674
- Currently projected unwinding through 9/23, 920,784.
  - Accounts for 100% FPL retro re-enrollments as of 4/1/2023.
- Medicaid enrollment changed from 48% to 44% of NM Population (2.1 million) after unwinding.
- 85,344 increase in membership since Feb. 2020 (Pre-PHE)
- Lower workforce participation of lower-income parents (part-time vs. full-time status). September workforce participation is 57.2% (was 58.7% 1/1/2020)
  - Normal growth: ↑ newborns, ↑ elderly
  - Enhanced benefits:
    - ↑ DD allocations (HCBS ARPA waitlist elimination)
    - ↑ Community Benefit allocations (HCBS ARPA investment to add slots)
    - ↑ mothers (12-month post-partum extension)
    - ↑ continuous enrollment children 0-36 months.

**NM Medicaid Average Enrollment, FY10-FY24**

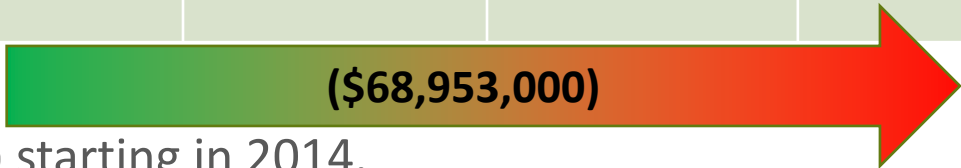


**Labor Force Participation Rates in New Mexico and US January 2020 - September 2023**



# MEDICAID FEDERAL FINANCIAL PARTICIPATION RATES BY FEDERAL FISCAL YEAR

	FFY 2022	FFY2022 6.2% increase	FFY2023 10/2022 to 3/2023 6.2% increase	FFY2023 4-6/2023 5.0% increase	FFY2023 7-9/2023 2.5% increase	FFY2024 10-12/2023 1.5% increase	FFY2024 1-9/2024	FFY 2025 (Final) 10/2024- 9/2025
FMAP	73.71%	79.91%	79.46%	78.26%	75.76%	74.09%	72.59%	71.68%
E-FMAP	81.60%	85.00%	85.00%	84.78%	83.03%	81.86%	80.81%	80.18%
Expansion FFP CY	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%

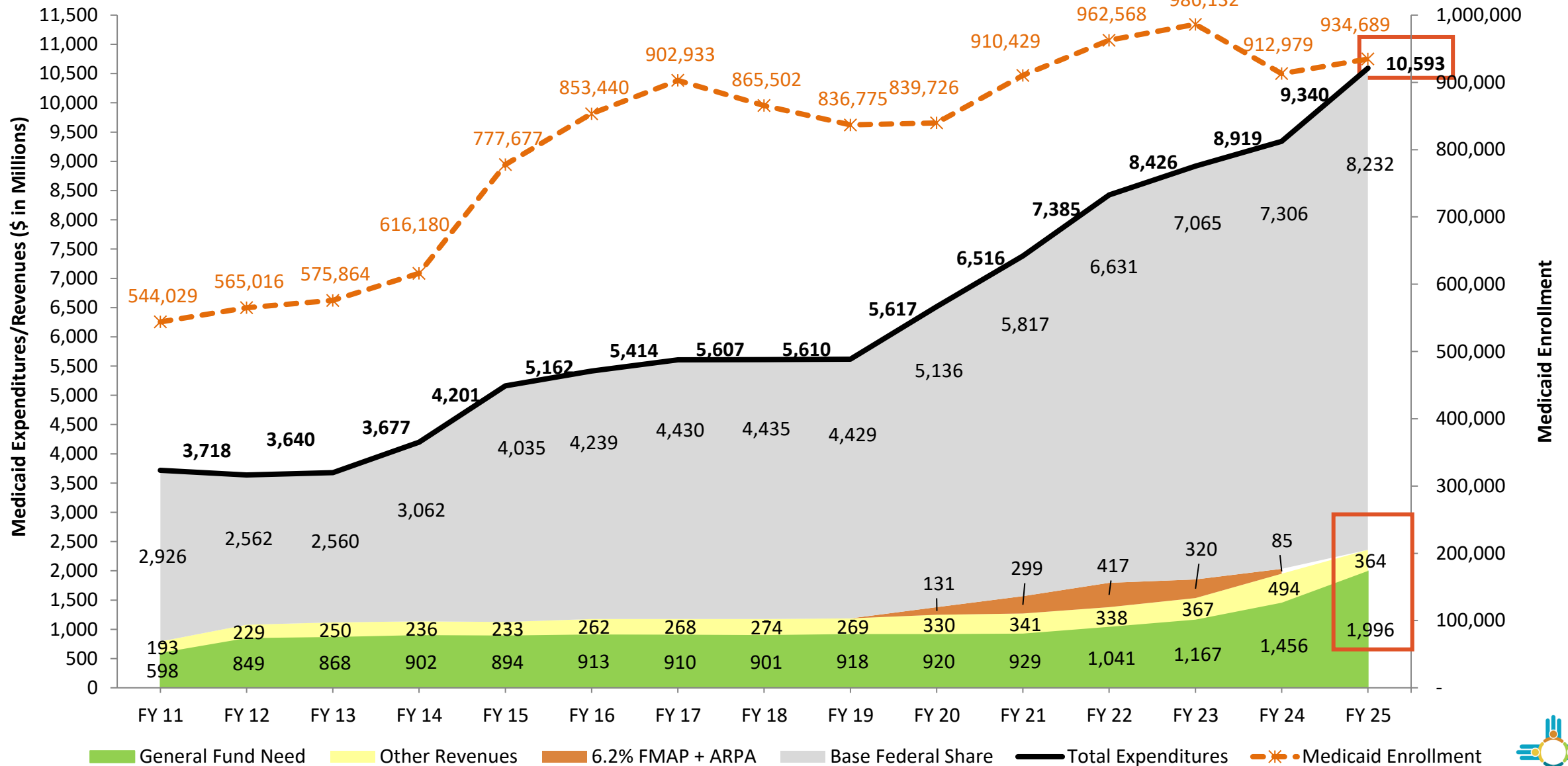


- **Expansion FMAP** - is in effect by calendar year (CY) starting in 2014.
- **6.2% FMAP increase** - Families First Coronavirus Response Act (FFCRA) increased FMAP through the end of March 2023.
- **Phase-down 6.2% FMAP increase** – Consolidated Appropriations Act, 2023. Section 5131 provides quarterly transitioning 6.2% for FFY2023 Q2; 5.0% for FFY2023 Q3; 2.5% for FFY2023 Q4; and 1.5% for FFY2024 Q1
- **Final FFY2025 FMAP and EFMAP**
- COVID-19 testing and related services for uninsured are 100% FFP



# FEDERAL REVENUE SUPPORTING MEDICAID PROGRAM

## Total Medicaid Enrollment, Expenditures and Revenues



The content of these slides, specifically references to the end of the Public Health Emergency, 6.2% FMAP, and Maintenance of effort requirements and timelines, is subject to change as a result of evolving federal guidance, experience, new information, changes in process requirements, and the availability of resources.



# HCA INCOME SUPPORT DIVISION (P525) FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
Consolidated Customer Service Center (CCSC)	1,759.1	GF
To continue to support and obtain necessary income verification for 43% percent of our New Mexico customer	390.0	GF
To enhance our Income Support Division (ISD) security guard services to Level 2 standards.	310.1	GF
SNAP Increase threshold to 200% FPL.	643.0	GF
SNAP Meal Access Program (food truck and restaurant expansion)	700.0	GF
SNAP Summer EBT	310.0	GF
To enhance Supplemental Nutrition Assistance Program (SNAP) benefits for elderly and disabled recipients, increasing the monthly benefit from \$25 to \$150 per month.	29,772.5	GF
Temporary Assistance for Needy Families (TANF) Cash Assistance, the primary program for families with children to provide increased assistance with 95% FPG per year.	22,924.4	GF
<b>Total</b>	<b>56,809.1</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - Income Support	63000					
	General Fund	\$57,223.0	\$61,200.7	\$118,009.8	\$56,809.1	92.8%
	Federal/Other Funds	\$1,808,247.6	\$1,262,411.5	\$1,272,549.2	\$10,137.7	0.8%
	<b>GRAND TOTAL</b>	<b>\$1,865,470.6</b>	<b>\$1,323,612.2</b>	<b>\$1,390,559.0</b>	<b>\$66,946.8</b>	<b>5.1%</b>
				\$0.0		
	200-PS & EB	\$65,821.2	\$77,138.9	\$71,060.1	(\$6,078.8)	-7.9%
	300 - Contracts	\$55,690.2	\$40,153.6	\$56,503.8	\$16,350.2	40.7%
	400 - Other	\$1,739,577.0	\$1,206,319.7	\$1,262,995.1	\$56,675.4	4.7%
	500 - Other Financing Uses	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
	<b>GRAND TOTAL</b>	<b>\$1,861,088.4</b>	<b>\$1,323,612.2</b>	<b>\$1,390,559.0</b>	<b>\$ 66,946.8</b>	<b>5.1%</b>
	Authorized FTE	1158	1158	1071	-87	-7.5%

\*Items that need to be addressed in FY25





# HCA BEHAVIORAL HEALTH SERVICES DIVISION PROGRAM (P767) FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
To support 988 Crisis Now due to the expiration of several federal grants used to support the Crisis Now model of behavioral healthcare.	5,921.5	GF
Linkages Programs – permanent supportive housing where eligibility criteria are Serious Mental Illness (SMI) .	1,000.0	GF
Certified community behavioral health clinics (CCBHC).	1,500.0	GF
To continue screening, brief intervention and referral to treatment programs.	2,000.0	GF
For housing assistance for people affected by opioid use disorder.	2,000.0	GF
<b>Total</b>	<b>12,421.5</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - Behavioral Health Program	63000					
	General Fund	\$38,985.0	\$45,341.4	\$57,762.9	\$12,421.5	27.4%
	Federal/Other Funds	\$33,514.7	\$37,419.6	\$22,604.6	(\$14,815.0)	-39.6%
	<b>GRAND TOTAL</b>	<b>\$72,499.7</b>	<b>\$82,761.0</b>	<b>\$80,367.5</b>	<b>(\$2,393.5)</b>	<b>-2.9%</b>
	200-PS & EB	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
	300 - Contracts	\$71,537.4	\$81,644.4	\$79,250.9	(\$2,393.5)	-2.9%
	400 - Other	\$962.3	\$1,116.6	\$1,116.6	\$0.0	0.0%
	500 - Other Financing Uses		\$0.0	\$0.0	\$0.0	0.0%
	<b>GRAND TOTAL</b>	<b>\$72,499.7</b>	<b>\$82,761.0</b>	<b>\$80,367.5</b>	<b>\$ (2,393.5)</b>	<b>-2.9%</b>

\*Items that need to be addressed in FY25



# HCA BEHAVIORAL HEALTH SERVICES DIVISION ADMIN (P767) FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
New Mexico Crisis Line (NMCAL) - provides timely, effective assessment and intervention to people in times of crisis and ensures continuous quality access to professional behavioral health and wellness services.	236.6	GF
Reduce the vacancy rate by 1 FTE	99.4	GF
To support operational needs rent, travel, fuel, and training for Behavioral Health employees.	45.4	GF
<b>Total</b>	<b>381.4</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - Behavioral Health Admin.	63000					
General Fund		\$13,539.4	\$13,539.4	\$13,920.8	\$381.4	2.8%
Federal/Other Funds		\$3,104.4	\$3,104.4	\$3,104.4	\$0.0	0.0%
<b>GRAND TOTAL</b>		<b>\$16,643.8</b>	<b>\$16,643.8</b>	<b>\$17,025.2</b>	<b>\$381.4</b>	<b>2.3%</b>
200-PS & EB		\$5,380.3	\$5,532.0	\$5,631.4	\$99.4	1.8%
300 - Contracts		\$9,548.2	\$9,548.2	\$9,784.8	\$236.6	2.5%
400 - Other		\$1,563.6	\$1,563.6	\$1,609.0	\$45.4	2.9%
500 - Other Financing Uses		\$0.0	\$0.0	\$0.0	\$0.0	0.0%
<b>GRAND TOTAL</b>		<b>\$16,492.1</b>	<b>\$16,643.8</b>	<b>\$17,025.2</b>	<b>\$ 381.4</b>	<b>2.3%</b>
Authorized FTE		53	70	70	0	0.0%

\*Items that need to be addressed in FY25



# HCA DIVISION OF HEALTH IMPROVEMENT FY25 BUDGET REQUEST 51

FY25 Budget Request Details*		
Description	Amount	Source of Funding
To support the decrease in the federal budget from the loss of CARES and other one-time funding.	276.7	GF
To provide continual contractual services for investigations of abuse, neglect, and exploitation cases.	559.0	GF
To support operational needs travel, motor pool charges and rent.	20.0	GF
GF moved to Program Support and ITD associated 6 FTE	-491.1	GF
10 new FTE and several contracts to help support and meet regulatory oversight of facilities, laboratories, and community programs.	2,611.4	GF
<b>Total</b>	<b>2,976.0</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - Division of Health Improvement	63000					
General Fund		\$7,305.6	\$10,047.9	\$13,023.9	\$2,976.0	29.6%
Federal/Other Funds		\$9,563.5	\$10,287.8	\$10,068.5	(\$219.3)	-2.1%
<b>GRAND TOTAL</b>		<b>\$16,869.1</b>	<b>\$20,335.7</b>	<b>\$23,092.4</b>	<b>\$2,756.7</b>	<b>13.6%</b>
200-PS & EB		\$13,794.9	\$17,379.0	\$18,322.7	\$943.7	5.4%
300 - Contracts		\$1,585.7	\$922.5	\$2,542.2	\$1,619.7	175.6%
400 - Other		\$1,779.7	\$2,034.2	\$2,227.5	\$193.3	9.5%
500 - Other Financing Uses		\$0.0	\$0.0	\$0.0	\$0.0	0.0%
<b>GRAND TOTAL</b>		<b>\$17,160.3</b>	<b>\$20,335.7</b>	<b>\$23,092.4</b>	<b>\$ 2,756.7</b>	<b>13.6%</b>
Authorized FTE		184	203	207	4	2.0%

\*Items that need to be addressed in FY25

# HCA DEVELOPMENTAL DISABILITIES SUPPORTS DIVISION

## FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
GF moved to MAD Program	- 174,155.0	GF
GF moved to Program Support and ITD associated 5 FTE	-277.1	GF
<b>Total</b>	<b>174,432.1</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - Developmental Disabilities Supports Division	63000					
General Fund		\$139,948.7	\$194,119.0	\$19,686.9	(\$174,432.1)	-89.9%
Federal/Other Funds		\$30,634.9	\$9,922.8	\$19,871.5	\$9,948.7	100.3%
<b>GRAND TOTAL</b>		<b>\$150,731.2</b>	<b>\$204,041.8</b>	<b>\$39,558.4</b>	<b>(\$164,483.4)</b>	<b>-80.6%</b>
200-PS & EB		\$15,847.0	\$15,914.9	\$16,866.4	\$951.5	6.0%
300 - Contracts		\$13,761.5	\$12,588.9	\$13,429.3	\$840.4	6.7%
400 - Other		\$5,860.0	\$8,479.6	\$9,262.7	\$783.1	9.2%
500 - Other Financing Uses		\$115,262.7	\$167,058.4	\$0.0	(\$167,058.4)	
<b>GRAND TOTAL</b>		<b>\$150,731.2</b>	<b>\$204,041.8</b>	<b>\$39,558.4</b>	<b>\$ (164,483.4)</b>	<b>-80.6%</b>
Authorized FTE		207	192	195	3	1.6%

\*Items that need to be addressed in FY25



# HCA STATE EMPLOYEE HEALTH BENEFITS FY25 BUDGET REQUEST

FY25 Budget Request Details*		
Description	Amount	Source of Funding
Contractual Services increase (DOH Vaccine Act, ACA-PORI self-insured tax payment, Easi.gov Disability benefits, Employee Assistance Program, IBAC RFP's, Disability, life insurance).	922.4	GF
Consulting for options to improve and redesign how we deliver services to public employees.	700.0	GF
Claims integrity audit	500.0	GF
<b>Total</b>	<b>2,122.4</b>	

Agency Briefing Sheet		(in the thousands)				
AGENCY	BU	FY23 ACTUALS	FY24 OPBUD	TOTAL FY25 REQUEST	\$ Diff. FY24-25	% Diff. FY24-25
HCA - State Health Benefits	63000					
General Fund		\$0.0	\$1,173.3	\$3,295.7	\$2,122.4	180.9%
Federal/Other Funds		\$0.0	\$363,142.2	\$476,072.3	\$112,930.1	31.1%
<b>GRAND TOTAL</b>		<b>\$0.0</b>	<b>\$364,315.5</b>	<b>\$479,368.0</b>	<b>\$115,052.5</b>	<b>31.6%</b>
200-PS & EB		\$0.0	\$1,173.3	\$1,173.3	\$0.0	0.0%
300 - Contracts		\$0.0	\$30,703.3	\$32,825.7	\$2,122.4	6.9%
400 - Other		\$0.0	\$332,438.9	\$445,369.0	\$112,930.1	34.0%
500 - Other Financing Uses		\$0.0	\$0.0	\$0.0	\$0.0	0.0%
<b>GRAND TOTAL</b>		<b>\$0.0</b>	<b>\$364,315.5</b>	<b>\$479,368.0</b>	<b>\$115,052.5</b>	<b>31.6%</b>
Authorized FTE		9	9	9	0	0.0%



\*Items that need to be addressed in FY25



HEALTH CARE  
AUTHORITY



# APPENDIX

CY 23 HSD LEGISLATIVE UPDATE

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

# CY 2023 HSD LEGISLATION UPDATE

Legislation	Purpose	Appropriation	Status
HB73	Amends insurance code to require insurance coverage of biomarker testing.	None	NMAC language is under review for Rule promulgation. Working on definitions of covered biomarkers and cadence for review. Met with OSI to align requirements for all payors. On target for 1/1/24 implementation.
HB131	Amends insurance code to require parity in insurance coverage for expenses related to prosthetics and custom orthotics.	None	NM language is under review for Rule promulgation. Reviewing system changes and reporting requirements. On target for 1/1/24 implementation and reporting from OSI to begin 11/1/24.
HB400	Authorizes creation of a state-administered health coverage plan, Medicaid Forward Plan.	\$500,000 (GF) to HHS to conduct study	HSD has developed SOWs for Urban Institute and Mercer to conduct the study, we are on track for the submission to LHHS in October 2024.
HB527	Creates two new funds to hold monies that are coming or have already come to the state from the settlement of lawsuits against opioid distributors and others.	\$6,500,000 (GF) in HB2.	BHSD has team assigned to the 4 projects outlined in the fund <ol style="list-style-type: none"> <li>1. \$2M for Housing Assistance for people with Opioid Use Disorder: COMPLETED</li> <li>2. \$1.5M to implement Certified Community Behavioral Health Clinics: pending RFP and RFQ</li> <li>3. \$1M to expand telehealth for those affected by OUD: plan is under review for a telehealth hub model and partnering with MCOs</li> <li>4. \$2M Treatment Program Expansion: Scope of work is under review but expected to be ready for 12/1 implementation.</li> </ol>



# CY 2023 HSD LEGISLATION UPDATE

Legislation	Purpose	Appropriation	Status
SB310	Crisis triage centers.	None	Medicaid State Plan Amendment submitted to CMS and informal comments were received; BHSD responded to these comments through MAD, and we are awaiting an update from CMS.
SB425	County detention center treatment facilities.	None	Regulations are near complete, and implementation is on time in accordance with the timeline in the legislation; a status report was presented to the LFC on 11/30.
SB13	Gender affirming healthcare protection.	None	A letter of direction was submitted to the MCOs and edits to NMAC 8.302.1 are in review.
SB273	Parity for mental health and substance use disorder services.	None	Implementation is complete.
SB485	Non-emergency medical transportation services.	None	Emergency rule change to NMAC 9.21.23 promulgated.
SB16	Rename the HSD HCA.	None	Submitted HCA FY25 budget request 9/1/23. Met 11/1/23 deadline to submit transition plan to LHHS and LFC.
SB245	Rural emergency hospital licensure.	None	DOH rule has been promulgated.





# CY 2023 HSD LEGISLATION UPDATE

Legislation	Purpose	Appropriation	Status
HB4	Voting rights protections.	None	HSD already offers qualified electors applying/renewing benefits the opportunity to register to vote or update existing registration without duplicating information. Starting 7/1/25 will issue an annual report no later than 8/31 to Legislative Council Service, SoS and each county clerk.
SB147	Tax changes.	None	Tax tables in Omnicaid have been updated.
HB7	Reproductive and gender affirming healthcare.	None	NMAC language is under review for Rule promulgation. Clinical criteria has been established. LOD and Supplemental being created on criteria. On target for 1/1/24 implementation.
HB53	Delivery of diabetic supplies.	None	NMAC language is under review for Rule promulgation. Clinical representation to attend the OSI workgroup. LOD for 1/1/24 implementation.
SB7	Rural healthcare delivery fund.	\$80,000,000 (GF) in HB2.	Access Champions were chosen, and the first round of funding has been distributed. Remaining funding recipients announced 12/23.
SB92	Expand the pharmacist scope of practice.	None	Complete, awaiting Board of Medicine sign off.
SB223	New child support guidelines.	None	Promulgation of rules is on track for January 2024.
SB224	Medicaid for mandatory support obligations.	None	Implemented through administrative order; NMAC changes in process for completion in January 2024.





HEALTH CARE  
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# FY25 HCA BUDGET REQUEST FACTSHEETS

COVERAGE AND WORKFORCE INNOVATIONS

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

# MEDICAID PROVIDER RATE INCREASES

## Overview

- HSD seeks to raise Medicaid provider rates from 120% to no less than 150% of Medicare for primary care, maternal & child health, and behavioral health providers.
- For all other providers, HSD requests to keep rates at 100% of Medicare.

General Fund and Federal Fund FY25 (thousands) increase			
	FY24	FY25	Difference
General Funds	\$166,233.0	\$187,755.4	\$21,522.4
Federal Funds	\$580,591.2	\$657,247.0	\$76,655.8
<b>TOTAL</b>	<b>\$746,824.2</b>	<b>\$845,002.4</b>	<b>\$98,178.2</b>

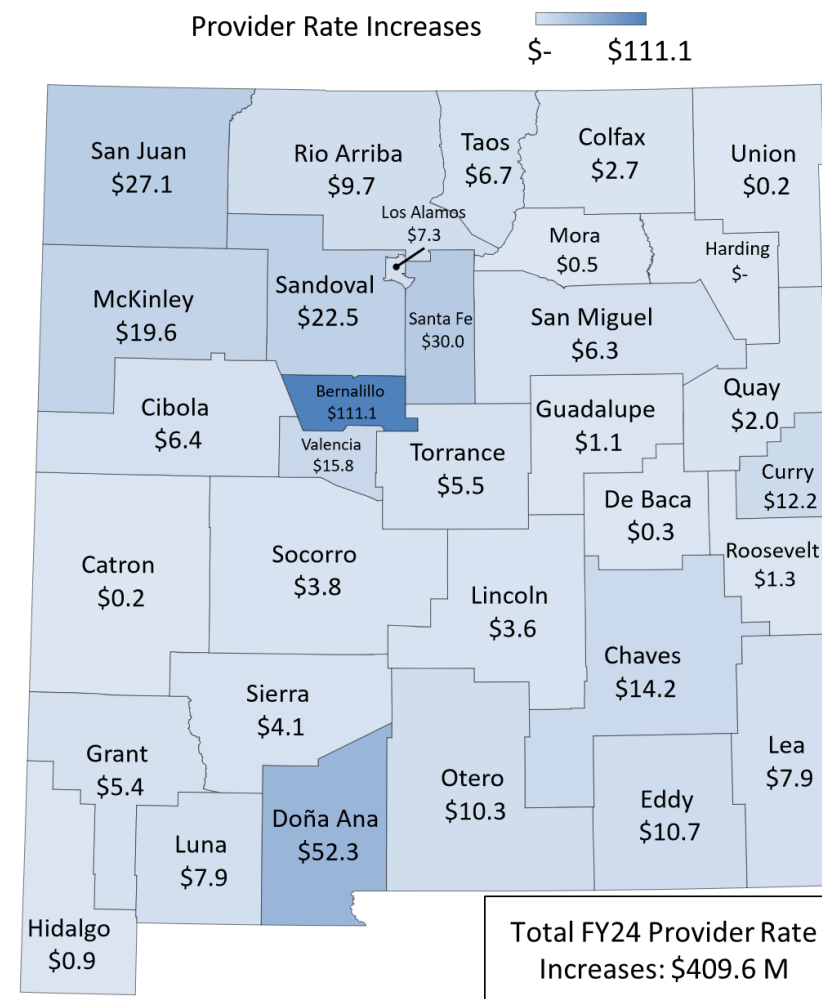
## Evidence for Investment

Medicaid provides coverage to over 50% of New Mexicans. (For some services, HSD serves up to 80% of the population, for example newborns.)

## Return on Investment

- New Mexico Medicaid providers, generally, are reimbursed at levels less than Medicare. Given the majority market share Medicaid holds, without making payments closer to what it costs to provide services, we cannot sustain an adequate provider network.
- Raising Medicaid rates will help attract and retain providers and clinicians.

## FY24 HB2 Medicaid Provider Rate Increases (Millions), Pro-Rated by County Member Months



## MEDICAID PROVIDER RATE INCREASES

### Benefits for New Mexicans

As the largest payor in the state, appropriate payments promote NM’s ability to recruit, retain, and sustain providers so that Medicaid members can see a provider when and where they need them.

### Frequently Asked Questions

#### Q. Why is \$187.8 M GF needed?

A. Legislature approved rate increase for providers in the FY24 budget. The HCA seeks to continue to fund providers at 100% of Medicare and increase select providers to 150% due to provider shortages.

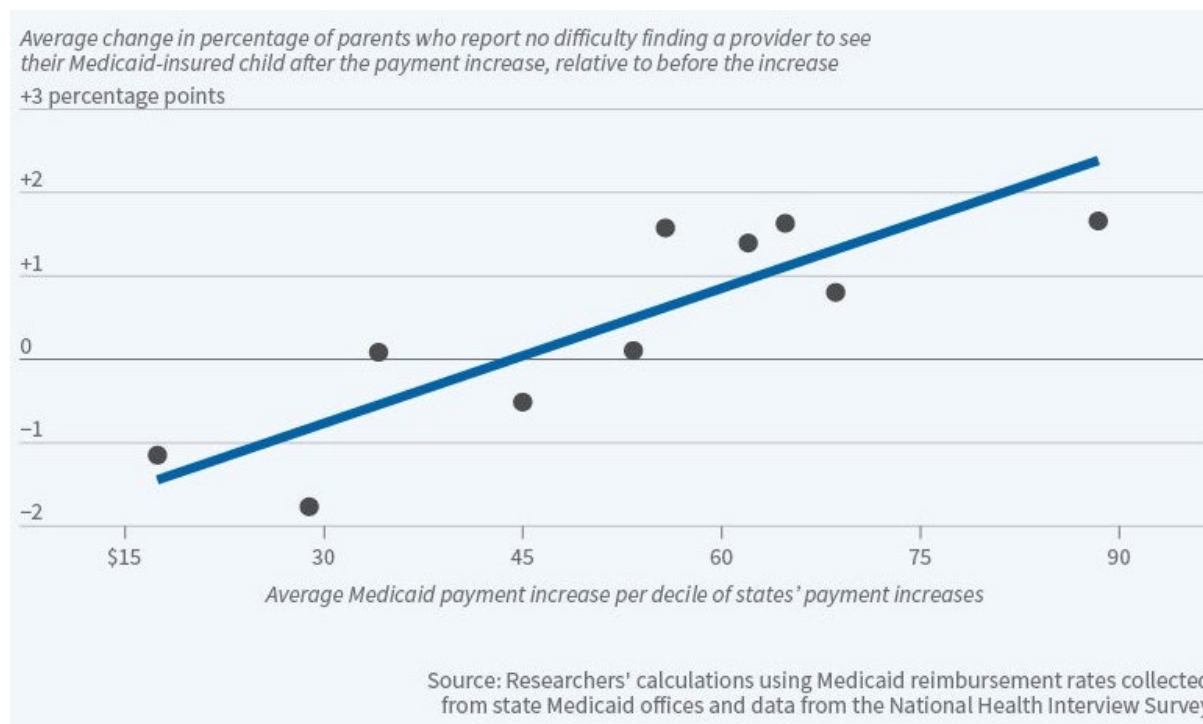
#### Q. Why higher rates for Primary Care, Behavioral Health, and Ob-Gyn?

A. These services represent the core emphasis of Medicaid, providing comprehensive care for all Medicaid customers and address key healthcare issues in NM.

#### Q. How do increases in Medicaid reimbursement rates support the health care workforce?

A. Increasing Medicaid provider reimbursement helps attract and retain healthcare providers by ensuring they receive fair compensation for their services. This financial incentive encourages more healthcare professionals to enroll in Medicaid, ultimately improving access.

**Each \$10 increase in Medicaid reimbursement per visit generated a 0.3% increase in the probability that a Medicaid recipient reported a doctor visit in the past two weeks.**



Source: <https://www.nber.org/bh-20193/increased-medicaid-reimbursement-rates-expand-access-care>



# MEDICAID FY25 EXPANSION REQUESTS

HCBW Expansions	Effective Date	FY2025 GF	FY2025 FF	FY2025 TC
Home & Community-Based Waiver (HCBW) Expansion for PCG Rate Study (DDW, MFW, MiViaW)	FY25	\$10,580,782	\$27,717,227	\$38,298,009
HCBW Expansion for PCG Rate Study (Long-Term Services & Supports/Community Benefit Parity)	FY25	\$1,240,551	\$3,249,723	\$4,490,274
<b>Total</b>	-	<b>\$11,821,333</b>	<b>\$30,966,950</b>	<b>\$42,788,283</b>

Expansions: Provider & Facility Rate Increases	Effective Date	FY2025 GF	FY2025 FF	FY2025 TC
Maintain 100%/150% of Medicare and annual benchmarking for Providers and Facilities; Exclude hospitals, NFs 150%	FY25	\$91,082,360	\$326,526,925	\$417,609,286
Annual increase to current rates to keep pace with Medicare rates	FY25	\$81,398,050	\$291,809,029	\$373,207,078
Initial 100% of Medicare annual benchmarking Phase 3 (providers not addressed in Phase 1 & 2)	FY25	\$9,554,746	\$25,029,440	\$34,584,187
NM PACE rate increase	FY25	\$5,299,339	\$13,882,053	\$19,181,392
<b>Total</b>	-	<b>\$187,334,495</b>	<b>\$657,247,448</b>	<b>\$844,581,943</b>



# RURAL HEALTH CARE DELIVERY FUND (RHCFD)

## Overview

- Statutory authority for Rural Health Care Delivery Fund (RHCFD) is found in 2023 [Senate Bill 7](#), which directs HSD to “provide grants to defray operating losses, including rural health care provider or rural health care facility start-up costs, incurred in providing inpatient, outpatient, primary, specialty or behavioral health services to NM residents”.
- FY24 funding may support health care providers and institutions for up to 3 years.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$80,000	\$120,000	\$40,000
Federal Funds	\$-	\$-	\$-
<b>TOTAL</b>	<b>\$-80,000</b>	<b>\$120,000</b>	<b>\$40,000</b>

## Evidence for Investment

- In FY24, HSD received 186 applications totaling \$507,335,809 in requests.
- \$80 M appropriated in FY24 covers a portion of the need for expanding health services in rural areas.
- Providers and facilities are ready to expand services but lack the funding necessary to stand-up programs and hire staff.

## Return on Investment

- HCA will track RHCFD funding recipient performance using measures such as percent increase in number of patients served. HSD anticipates results from the programs in FY25.
- Investing in rural health care not only enhances the availability and quality of health services in underserved areas, but also stimulates economic growth by creating jobs, increasing productivity, and reducing overall healthcare costs. Enhanced infrastructure attracts new businesses and residents, fostering a thriving, sustainable community.

## RCHDF Funding Recipients Locations



## RURAL HEALTH CARE DELIVERY FUND (RHCFD)

### Benefits for New Mexicans

Timely access to health care is especially challenging in rural NM. This funding will increase the number of services and service types available to rural New Mexicans resulting in improved health outcomes and improved health equity.

### Frequently Asked Questions

**Q. Which counties are considered “rural” for the RHCFD grant?**

**A.** As defined in SB7, a rural county that has a population of 100,000 or fewer according to the most recent federal decennial census.

**Q. What costs can be covered by the RHCFD grant?**

**A.** RHCFD can cover operating losses for the development of new or expanded health care services. Allowable costs include start-up costs for the planning, development, and operation of new or expanded rural health care services.

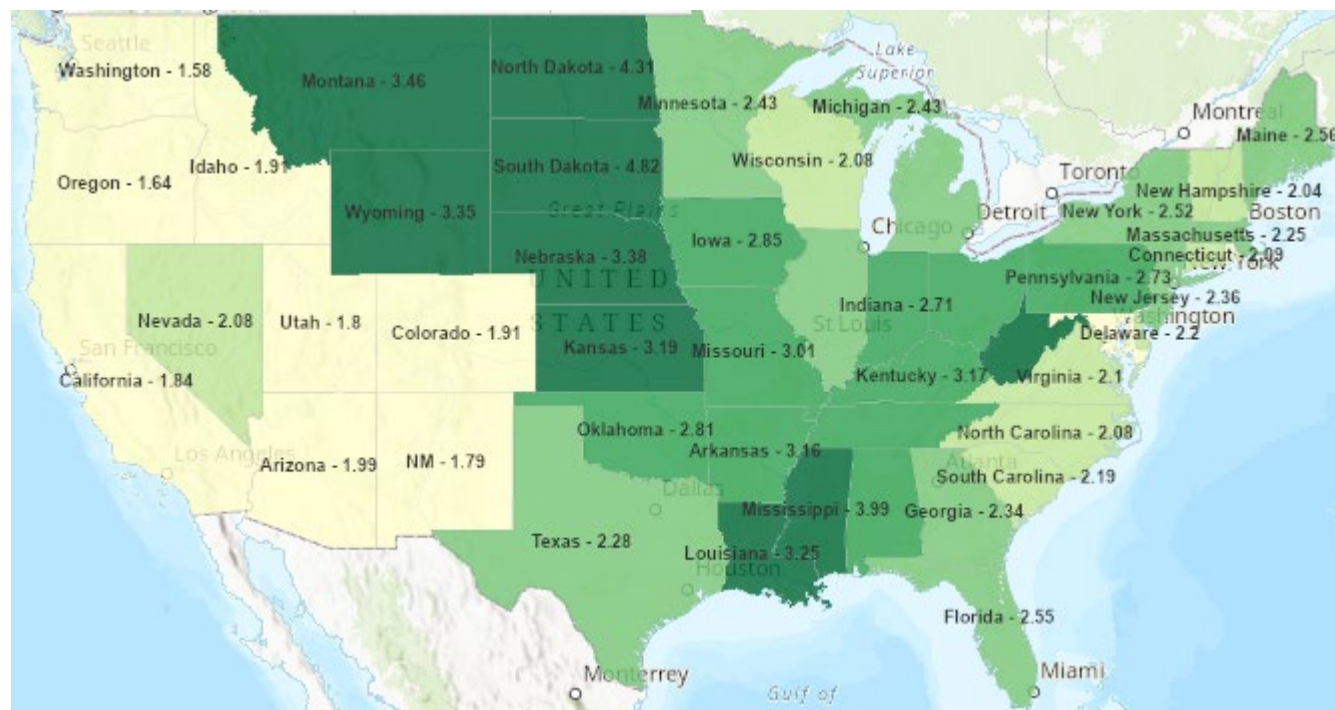
**Q. What is the eligibility criteria to receive funding?**

**A.** RHCFD recipients must be enrolled Medicaid providers, actively serve NM Medicaid recipients, be providing a new and/or expanded health care service(s), meet state licensing requirements, and provide services in a rural NM county(ies).

**Q. How many applications were received in 2023?**

**A.** HSD received 187 applications totaling \$507,335,809 in requests.

**Hospital General Beds by State per 10,000 Population, 2020**



Source: <https://nmcdc.maps.arcgis.com/home/webmap/viewer.html?webmap=dc5a4b4a10f5458c8cccd1160c55710a>





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# FY25 HCA BUDGET REQUEST FACTSHEETS

CREATING A MORE EFFECTIVE SAFETY NET

*INVESTING FOR TOMORROW, DELIVERING TODAY.*



## CASH ASSISTANCE PROGRAM ELIGIBILITY EXPANSION FROM 85% FPL TO 95% FPL

### Overview

Raising income eligibility from 85% Federal Poverty Level (FPL) to 95% FPL for Cash Assistance programs (Temporary Assistance for Needy Families (TANF), Refugee Cash Assistance, General Assistance, Education Works and State Supplement for Residential Care). Expansion allows **estimated 5,228 lower-income families** on the cusp of poverty to earn more income, while still retaining access to benefits and career development programs.

General Fund, Federal Fund & Difference FY24-25 (thousands)			
	FY24	FY 2025	Total
General Fund	\$0	\$3,322.4	\$3,322.4
Federal Fund	\$0	\$20,363.0	\$20,363.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$23,688.4</b>	<b>\$23,688.4</b>

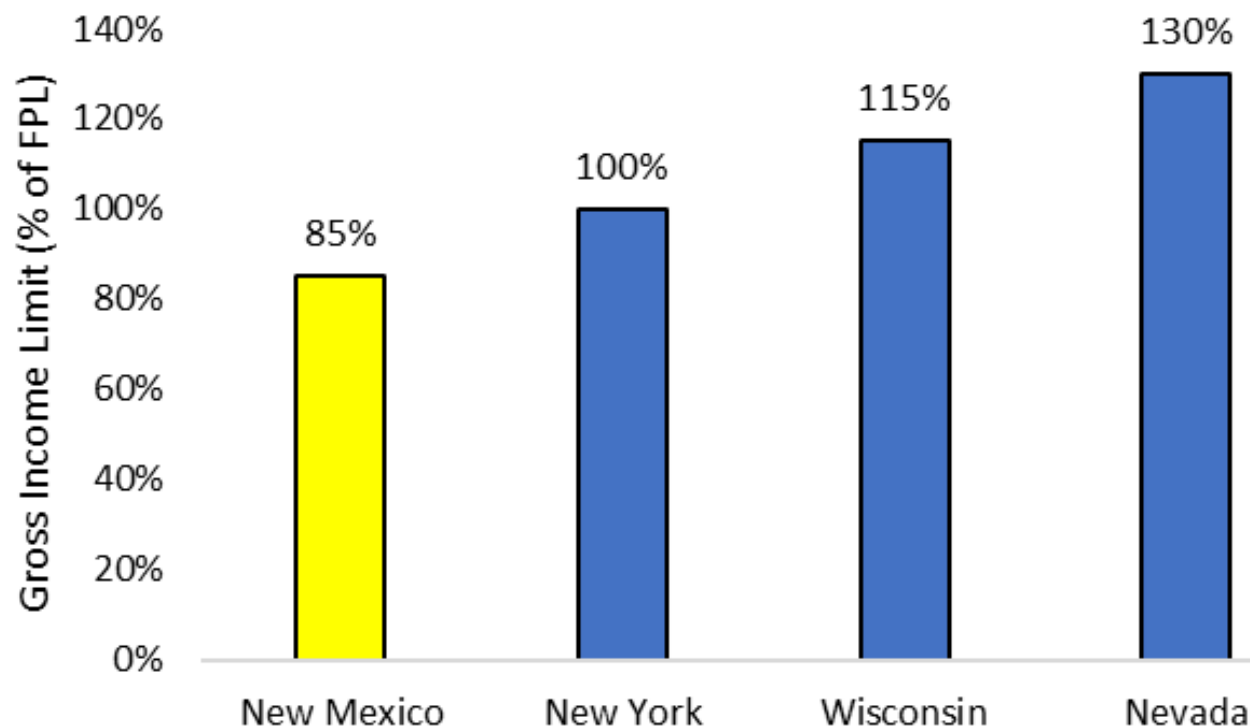
### Evidence for Investment

- Despite a 18.6% state poverty rate, most NM children experiencing poverty do not have access to Cash Assistance due to 85% FPL eligibility limitation.
- A comparison of the gross income limits compiled by the Urban Institute’s Welfare Rules Database Databook (2020) with other comparable states showed NM had the most restrictive TANF eligibility criteria at 85% of FPL.

### Return on Investment

- Raising eligibility to 95% FPL will introduce an additional \$32 M in spending in the state economy- a return on investment of \$41 for every \$1 of GF. (Note, the GDP multiplier for SNAP was used as a substitute in obtaining the economic impact estimate because of one not being available for cash assistance).

TANF Gross Income Limit for 3-person Household (% of FPG)



## CASH ASSISTANCE PROGRAM ELIGIBILITY EXPANSION FROM 85% FPL TO 95% FPL

### Benefits for New Mexicans

This expansion will provide financial relief to 5,288 additional families, allowing them access to much-needed financial support for their basic needs. This expansion not only helps these families achieve a more stable financial footing but also contributes to a stronger and more inclusive social safety net, benefiting the overall well-being of state residents by reducing poverty and improving economic stability.

### Frequently Asked Questions

**Q. With such low unemployment rates in NM, why is eligibility expansion needed?**

A. At 25%, NM has the second highest rate of child poverty in the U.S., but current eligibility requirements mean most children are not receiving cash assistance. Even in a low unemployment environment, many families still struggle to make ends meet due to various economic challenges and rising living costs. This expansion ensures families facing financial hardships can access the support they need to attain stability and self-sufficiency, ultimately strengthening the state's social safety net.

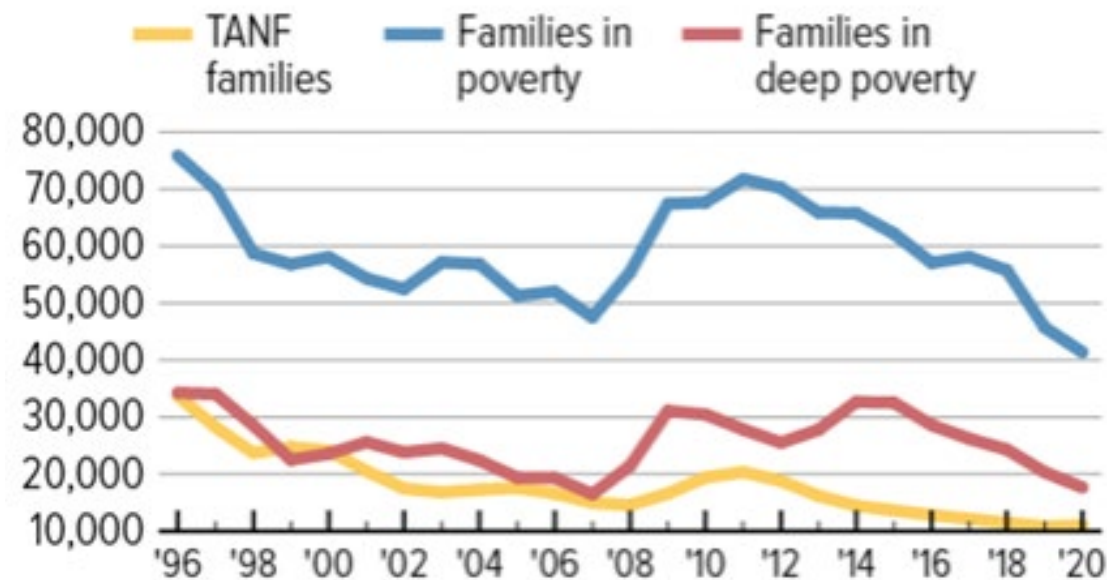
**Q. Wouldn't raising eligibility to 95% FPL result in dependency on services?**

A. On the contrary, TANF provides program work activities, education, vocational training, as well as other workforce development activities that enable families to achieve independence. For example, a household receiving TANF can work with a NM Works provider on a plan to gain skills and education needed for employment.

**Q. Does the HCA offer support for families leaving TANF, and if so, how does it help smooth the cliff effect?**

A. HCA offers an 18-month Transition Bonus Program for families employed 30+ hours per month earning less than 200% FPL. In addition, families who leave TANF with income less than 150% FPL may access childcare, transportation, and employment services. Both initiatives relieve the cliff effect by providing a gradual transition and essential support for families as they work towards financial independence.

**Families with Children in Poverty, Deep Poverty, and Participating in TANF, 2020**



Source: [https://www.cbpp.org/sites/default/files/atoms/files/tanf\\_trends\\_nm.pdf](https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_nm.pdf)



# SNAP SUPPLEMENTAL EXPANSION FOR OLDER ADULTS AND PEOPLE WITH DISABILITIES

## Overview

- Raise in minimum supplement for older adults and people with disabilities who receive SNAP from \$32/mth. to \$150/mth.
- 8,593 older adults and people with disabilities in NM receive this supplement, and 12.8% of all older adults and 24% of people with disabilities are within the eligibility criteria.
- Raise in minimum supplement estimated to increase program participation by 36% (from 8,593 to 11,702).

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$2,000.0	\$29,772.5	\$29,772.5
Federal Funds	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$2,000.0</b>	<b>\$29,772.5</b>	<b>\$29,772.5</b>

## Evidence for Investment

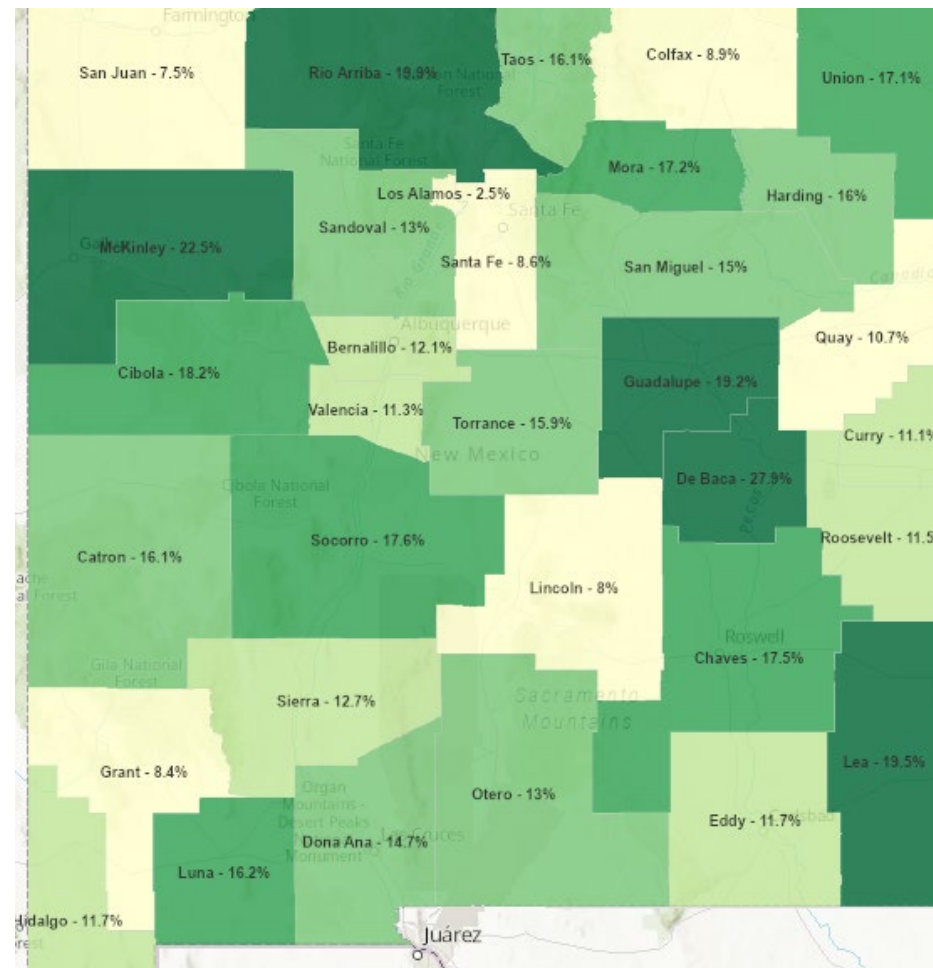
Many older adults and people with disabilities make tradeoffs that can be detrimental to their health, such as skipping meals or cutting pills in half. Studies have linked higher SNAP benefits to improved dietary quality and better health outcomes. <https://www.ncoa.org/article/7-facts-about-older-adults-and-snap>

## Return on Investment

For every \$1 of GF, this request returns \$16 in net benefits to NM. Further, improving the health of older adults and individuals with disabilities through better nutrition can lead to long-term savings in healthcare costs. Preventing or managing diet-related health conditions can reduce the burden on the healthcare system.

## Older Adult Poverty Rate By County, 2021

Statewide average : 12.8%



Source:

<https://nmcdc.maps.arcgis.com/home/webmap/viewer.html?webmap=428cf22ed9ad4daab2b0b6d37814300d>



## SNAP SUPPLEMENTAL EXPANSION FOR OLDER ADULTS AND PEOPLE WITH DISABILITIES

### Benefits for New Mexicans

When underserved populations receive higher SNAP benefits, they can afford a more nutritious diet. This leads to better health outcomes and reduces the burden on the healthcare system. State residents benefit from having a healthier population, which can lead to lower healthcare costs and improved overall well-being.

### Frequently Asked Questions

#### Q. What happens if the State General Fund is not approved?

A. Older adults and people with disabilities will continue to receive the minimum \$32/mth. With rising inflation costs, they will continue to be at-risk for food insecurity and other adverse outcomes associated with unreliable access to food.

#### Q. Do older adults and people with disabilities have higher food costs??

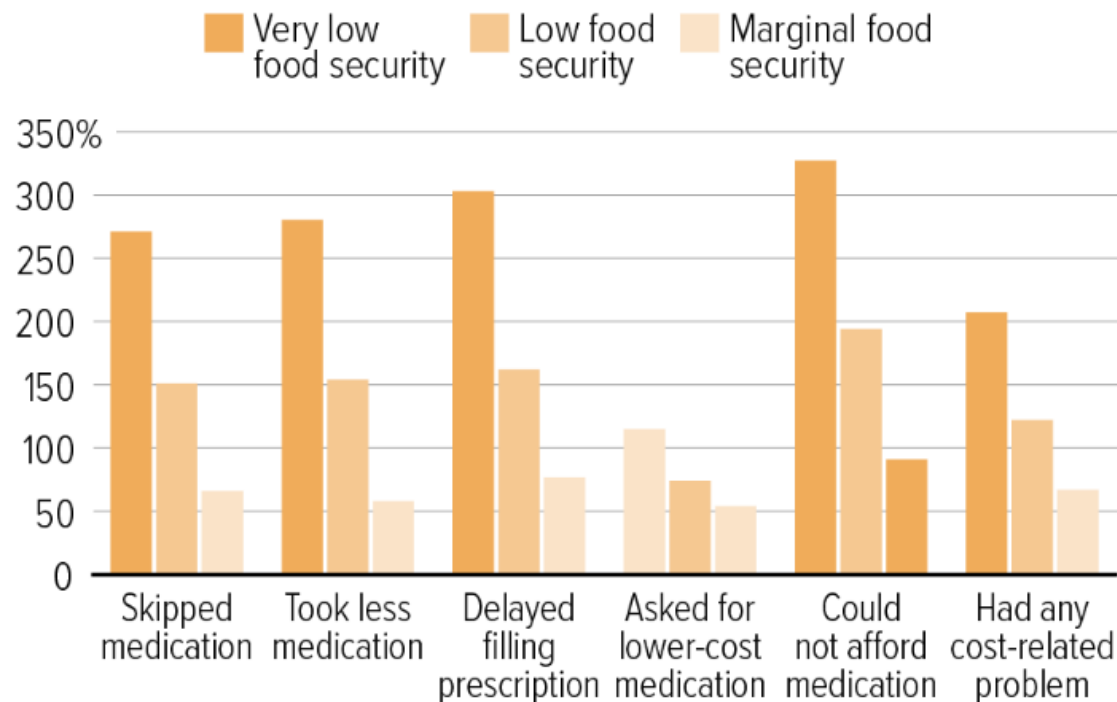
A. Yes, because many often have specialized dietary needs, limited mobility, and medical conditions that require specific and often more expensive foods or accommodations. An increase in the SNAP minimum supplement benefit can help them better afford the specialized and often costlier foods required to meet their dietary needs.

#### Q. Do people who receive this supplement benefit also receive other SNAP benefits?

A. Yes, if they qualify. The SNAP Supplement benefit is typically provided on top of the regular SNAP benefit to help address the higher food costs or dietary needs.

### Adults in Households With Less Food Security Are Likelier to Skip Needed Medications

Percent more likely relative to food-secure households



Note: When food security is “marginal,” a household may experience anxiety over food adequacy, but little to no change in diets; when “low,” it reduces diet’s quality or variety sometime in year; when “very low,” food intake has been disrupted or reduced.

Source: Dena Herman et al., “Food Insecurity and Cost-Related Medication Underuse Among Nonelderly Adults in a Nationally Representative Sample.”

Source: <https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs>

## KINSHIP CARE SNAP SUPPLEMENTAL MONTHLY BENEFIT PILOT

### Overview

- Kinship Care is a term used for the raising of children by grandparents or other extended family.
- Kinship Care pilot provides a \$75 SNAP supplement monthly benefit for each eligible child that kin can use to purchase healthy food, increasing the family’s purchasing power. **Up to 30,000 households in NM may be eligible.**
- As kinship care is often unplanned, it is imperative caregivers have the supports they need when caring for a child.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$0	\$15,000.0	\$15,000.0
Federal Funds	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$15,000.0</b>	<b>\$15,000.0</b>

### Evidence for Investment

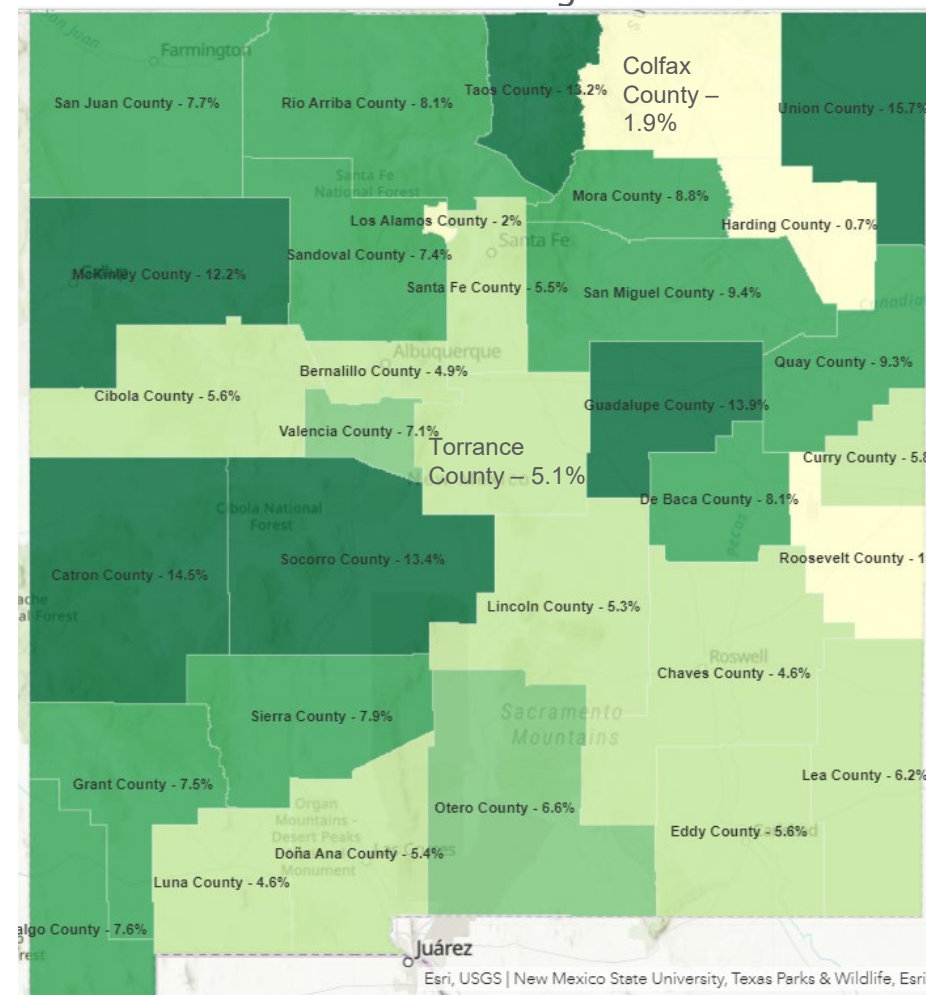
- In 2021, NM had one of the highest poverty rates among elders (12.8%).
- In 2022, 31,000 children were raised by kin with no parent present.
- From 2021-23, NM had one of the highest percentages (8%) of children living in kinship care. [NM-GrandFacts-State-Fact-Sheet-2021.pdf \(unm.edu\)](https://unm.edu/NM-GrandFacts-State-Fact-Sheet-2021.pdf)

### Return on Investment

The Kinship Care pilot will help improve the overall well-being of children living with kin, potentially reducing long-term social welfare costs and healthcare expenditures while fostering stable family environments. Additionally, it may lead to increased educational attainment and future productivity, ultimately benefiting both the children and the state's economy.

## Households with Grandparents Responsible for Grandchildren by County 2021 (%)

Statewide Average: 6.4%



Source:

<https://nmcdc.maps.arcgis.com/home/webmap/viewer.html?webmap=e0afd19751474eaba8385533b9345c9d>

## KINSHIP CARE SNAP SUPPLEMENTAL MONTHLY BENEFIT PILOT

### Benefits for New Mexican

This Pilot provides an incentive so caregivers can provide healthy food for the children in their care. This pilot strengthens the support system for underserved children, reducing the burden on social services, and promoting family stability and well-being, contributing to stronger communities and healthier environments.

### Frequently Asked Questions

#### Q. What other costs do kin incur while caring for children?

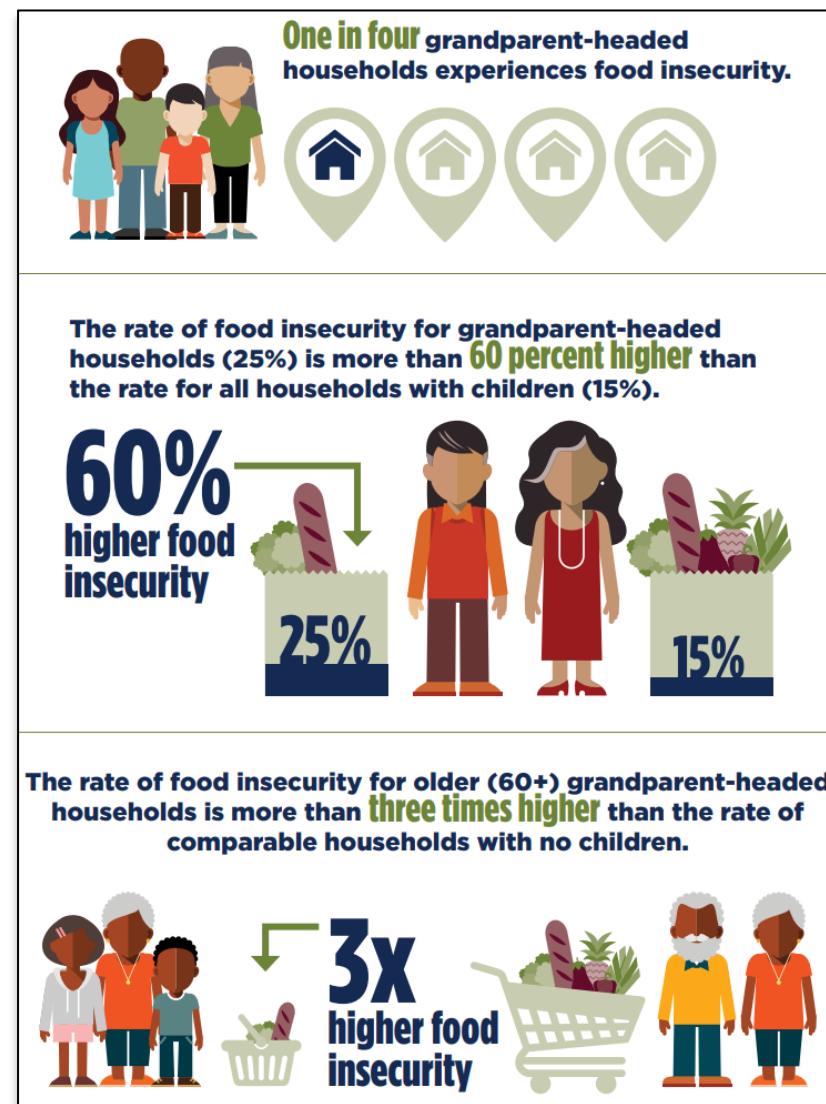
A. Kin caring for children often incur additional costs such as increased housing expenses, higher utility bills, and transportation costs, as they adapt their homes and lifestyles to accommodate the needs of the children. They may also face expenses related to education, healthcare, and extracurricular activities, which can strain their financial resources.

#### Q. How will the state determine the eligibility criteria for kinship caregivers to receive the \$75 SNAP monthly supplement?

A: Eligibility will be based on established guidelines, including the caregiver's relationship to the child and the family's income, which will be verified through the existing SNAP program infrastructure.

#### Q. What percent of children in foster care are living with kin?

A. A 2020 study from Generations United found 624 children (29%) of NM children in foster care were living with kin.



Source: <https://www.gu.org/resources/state-of-grandfamilies-report-2022/>

# SNAP ELIGIBILITY EXPANSION FROM 165% FPL TO 200% FPL

## Overview

- Supplemental Nutrition Assistance Program (SNAP) operates under a consistent set of federal eligibility rules; however, states have the flexibility to offer broad-based categorical eligibility (BBCE).
- This request increases SNAP Federal Poverty Limit (FPL) eligibility from 165% FPL to 200% FPL, expanding eligibility to an **additional 67,967 lower-income households** on the cusp of poverty.

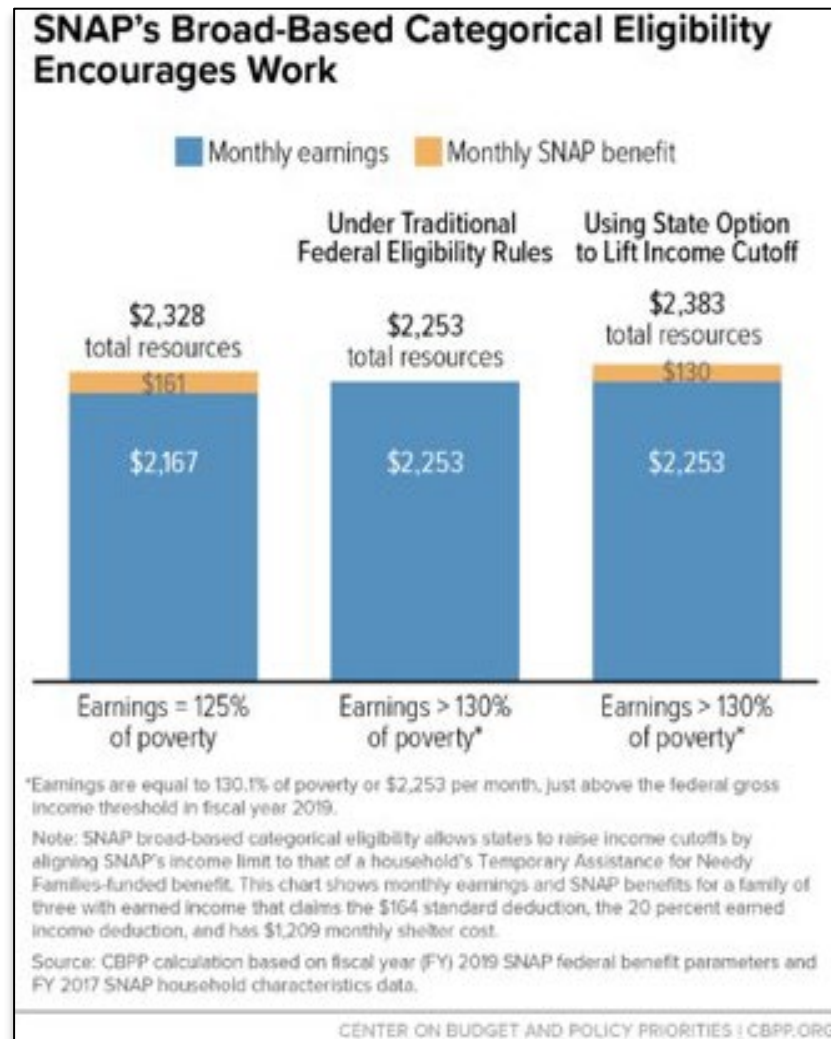
General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$0	\$722.6	\$722.6
Federal Funds	\$0	\$722.6	\$722.6
<b>TOTAL</b>	<b>\$0</b>	<b>\$1,445.2</b>	<b>\$1,445.2</b>

## Evidence for Investment

- Research indicates many households just above the current SNAP threshold still struggle with food insecurity and would benefit from additional assistance.
- Federal Government recognizes need to provide states flexibility to raise SNAP income eligibility limits so lower-income working families who have difficulty making ends meet can receive food supports.
- 22 states have already expanded SNAP FPL to 200%.

## Return on Investment

An additional 135,394 households receiving SNAP will generate an additional \$449,643,474 in the state economy. Given the relatively small cost of implementation, the return on investment is \$621 for every \$1 of GF.



Source: <https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and#:~:text=Thus%2C%20BBCE%20helps%20households%20clo,percent%20of%20the%20poverty%20line.>



## SNAP ELIGIBILITY EXPANSION FROM 165% FPL TO 200% FPL

### Benefits for New Mexicans

SNAP eligibility expansion allows lower-income working families to build assets and reduces the cliff effect as their earnings rise. Lower-income families can save money to avoid debt, support unexpected expenses, and to better support themselves.

### Frequently Asked Questions

**Q. How does this eligibility expansion support families experiencing the cliff effect?**

**A.** Increasing the FPL from 165% to 200% will help low-income working families by reducing the “benefit cliff” as their earnings rise. A family can lose substantial SNAP benefits from a small earnings increase that raises its gross income over SNAP’s eligibility threshold (130% FPL). BBCE helps households close to the income threshold accept higher-paying work while keeping SNAP benefits.

**Q. May families be eligible for other benefits under this SNAP eligibility expansion?**

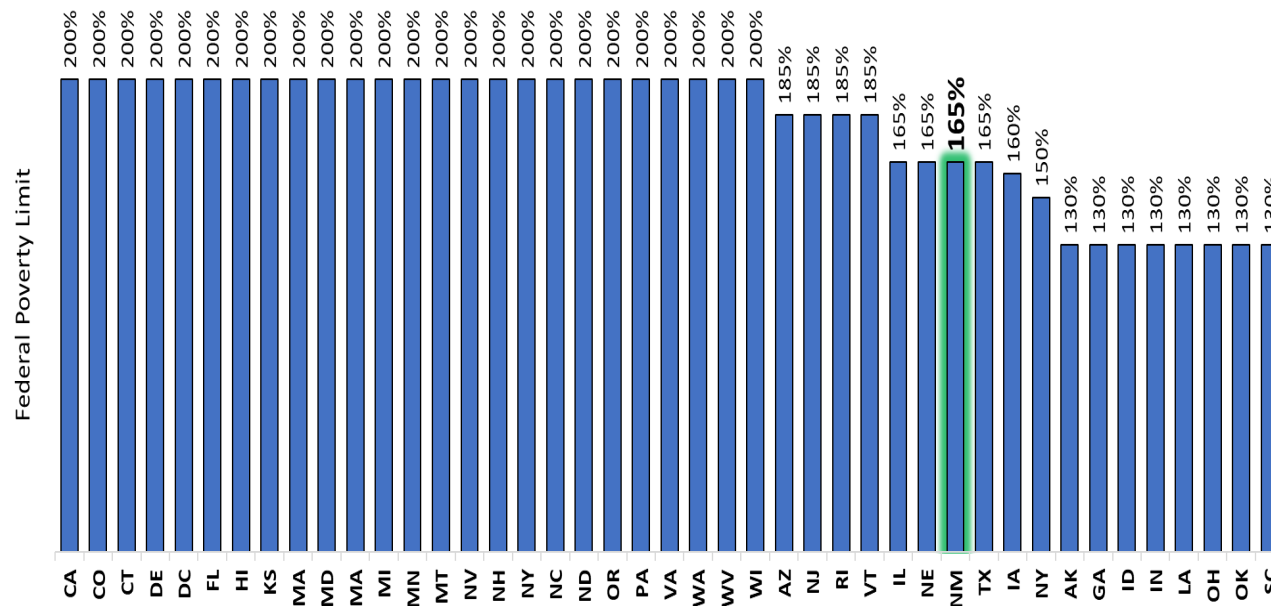
**A.** Yes. Qualifying families will be eligible for other services such as Direct Certification for Free/Reduced lunch program with their school district.

**Q. What is the child food insecurity rate in NM?**

**A.** 2020 data from Feeding America indicates NM has the second highest rate of child food insecurity in the US at 20.5%

## SNAP Broad Based Categorical Limit by State

*NM at 165% FPL*





## SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN (SUMMER EBT)

### Overview

- Summer EBT is a new and innovative way to provide food support to families who qualify for free or reduced-price meals during the summer when school is closed.
- Estimated 252,000 children in NM will receive \$120 for the summer.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$0	\$1,410.0	\$1,410.0
Federal Funds	\$0	\$1,410.0	\$1,410.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$2,820.0</b>	<b>\$2,820.0</b>

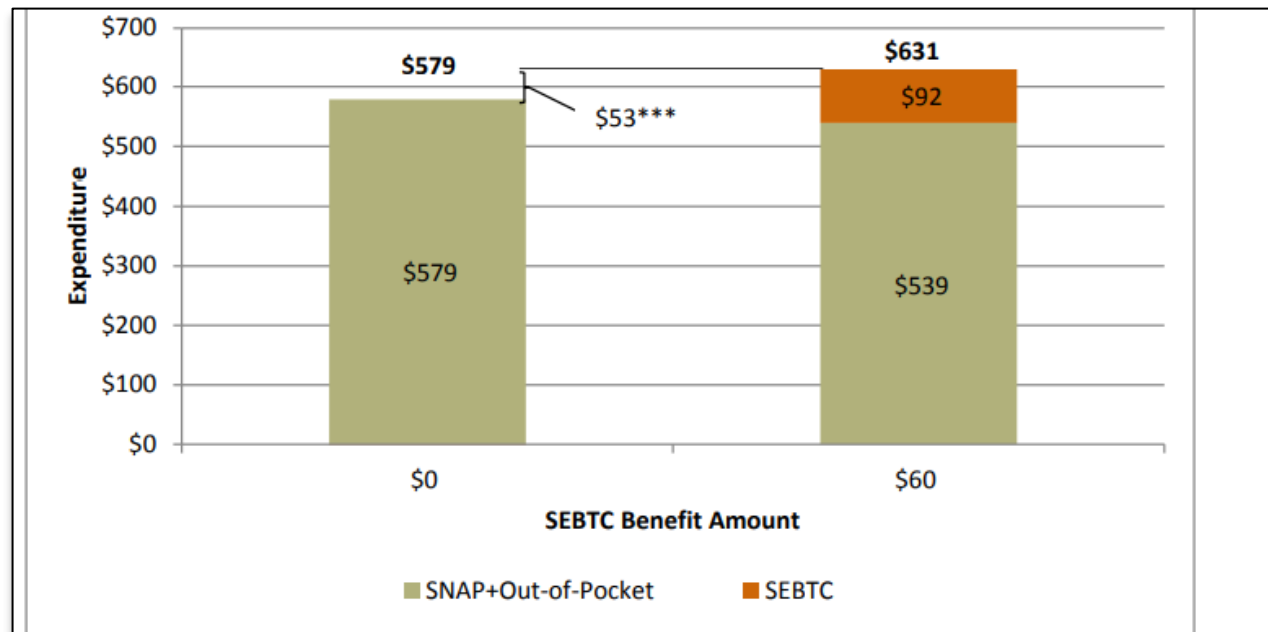
### Evidence for Investment

- Summer EBT is based on USDA's Summer EBT for Children demonstration projects and Pandemic EBT, which have been proven to reduce child hunger and improve diet quality.
  - The demonstration found that providing \$60/mth. per child reduced the most severe category of food insecurity amount children during the summer by one-third. [INFORMATIONAL MEMORANDUM FOR THE UNDER SECRETARY \(azureedge.us\)](#)

### Return on Investment

- Total additional spending expected from Summer EBT in NM's economy is \$46,569,600. Return on investment is \$32 for every \$1 GF.
- This program stimulates NM's economy by increasing spending at grocery stores and farmers' markets.

### Impact of \$60 Summer EBT Benefit Compared to \$0 on Food Expenditures



Source: From regression model estimated on pooled SEBTC Summer Survey data from 2012 and 2013 (n=45,641). Households were randomized to either \$60 or no benefit in 2012.

Note: Difference in monthly household expenditures (out-of-pocket plus SNAP) is -\$40, standard error (SE) = 4.02, p < 0.001. Difference in total food expenditures including SEBTC is \$53, SE = 4.09, p < 0.001. Numbers may not sum due to rounding.

\*.05 < p < .10, \*\*.01 < p < .05, \*\*\*p < .01

Source: <https://fns-prod.azureedge.us/sites/default/files/ops/sebtcfinalreport.pdf>



## SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN (SUMMER EBT)

### Benefits for New Mexicans

Summer EBT helps reduce food insecurity among lower-income families during the summer months, improving child nutrition and supporting child development. It also has economic benefits by stimulating local economies through increased spending at grocery stores (an estimated \$30,240,000 in additional Federal revenue).

### Frequently Asked Questions

**Q. Are children who are not enrolled in schools that offer free or reduced eligible for Summer EBT?**

A. It depends. Children may be eligible for Summer EBT if they participate in SNAP, Temporary Assistance for Needy Families, Food Distribution Program on Indian Reservations, Medicaid (in some cases).

**Q. Is there an age limit for children to receive Summer EBT benefits?**

A. Eligible children of any age are eligible for Summer EBT, including children of high school grade or under, including preschool-age children.









**Q. Are children who attend year-round schools eligible for Summer EBT if they meet all other eligibility requirements?**

A. Yes.

**Q. How much in Pandemic-EBT benefits did the HSD provide to New Mexicans during the last school year?**

A. During the 2022-23 school year, HSD provided \$44,107,425.74 M in SNAP benefits to 331,064 children through the Pandemic-EBT program.

USDA tested Summer EBT as a demonstration project in select states for several years. [Rigorous evaluations](#) showed that Summer EBT **decreased the number of kids with very low food security by about one-third!** When kids are food insecure, they may skip meals or eat less because there isn't enough food to go around. Other findings included:

	<p><b>Sugar sweetened beverage consumption</b></p> 		<p><b>Whole grain and dairy consumption</b></p> 
	<p><b>Fruit and vegetable consumption</b></p> 		<p><b>Child food insecurity</b></p> 

In addition, during COVID states and territories operated a temporary program similar to Summer EBT, which demonstrated the potential of expanding the program nationwide. [Research found](#) that this program:

- Decreased children's food hardship by more than **30%** after benefits were issued.
- Lifted at least **2.7 to 3.9 million** children out of hunger.

Source: <https://www.fns.usda.gov/sebt/evidence>



# SNAP RESTAURANT MEALS PROGRAM PILOT

## Overview

SNAP Restaurant Meals Pilot is a state option that expands food and meal purchasing options and addresses issues of mobility and transportation for historically underserved populations by allowing older adults, people with disabilities, and people experiencing homelessness to use their SNAP benefits to purchase hot prepared meals from participating establishments. **This Pilot could serve up to 151,593 NM SNAP customers.**

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$0	\$673.0	\$673.0
Federal Funds	\$0	\$673.0	\$673.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$1,346.0</b>	<b>\$1,346.0</b>

## Evidence for Investment

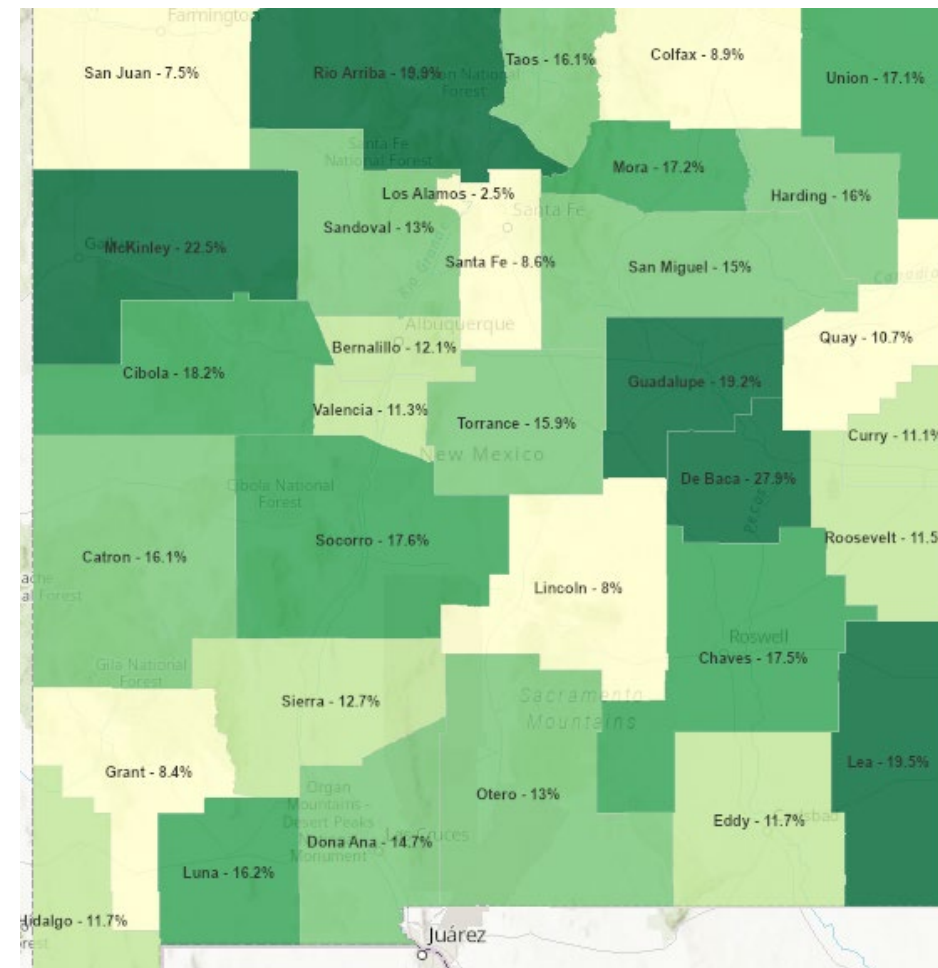
- This Pilot is being implemented in 9 states (CA, AZ, MD, NY, MA, RI, IL, MI, VA).
- Research has documented the limited access to nutritious food among these populations because of factors like physical limitations, lack of transportation, and financial constraints.
- Health data consistently indicates higher rates of malnutrition or diet-related health issues among these groups, further suggesting difficulties in accessing nutritious food.

## Return on Investment

- This Pilot will bring in additional federal SNAP revenue for participating restaurants.
- Return on Investment for the Pilot can be measured by evaluating the cost savings associated with reduced emergency healthcare utilization and improved health outcomes among the targeted populations due to better access to nutritious meals, balanced against the administrative and implementation costs of the program.

## Older Adult Poverty Rate By County, 2021

Statewide average : 12.8%



Source:

<https://nmcdc.maps.arcgis.com/home/webmap/viewer.html?webmap=428cf22ed9ad4daab2b0b6d37814300d>



## SNAP RESTAURANT MEALS PROGRAM PILOT

### Benefits for New Mexicans

- Pilot enables the HCA to more equitably serve its customers by addressing certain structural determinants associated with food insecurity and poverty.
  - Geographic inequities exist with current SNAP accepting retailers, meaning many New Mexicans who may have difficulty using their SNAP benefits will have increased access from participating Pilot restaurants.
- New Mexicans who do not have the physical ability to prepare food or who may not have the cooking utensils or appliances needed to cook and store foods efficiently will also benefit from this Pilot.

### Frequently Asked Questions

**Q. Will SNAP customers be charged gratuity or sales tax when they purchase a meal with their SNAP benefits?**

**A.** No, the participating restaurant will not be permitted to charge gratuity or sales tax.

**Q. Will a participating restaurant accept a mixed transaction (SNAP and cash or credit card combined)?**

**A.** Yes, the restaurant can process a mixed transaction when the SNAP customer does not have enough money on their SNAP card to fully pay for their meal.

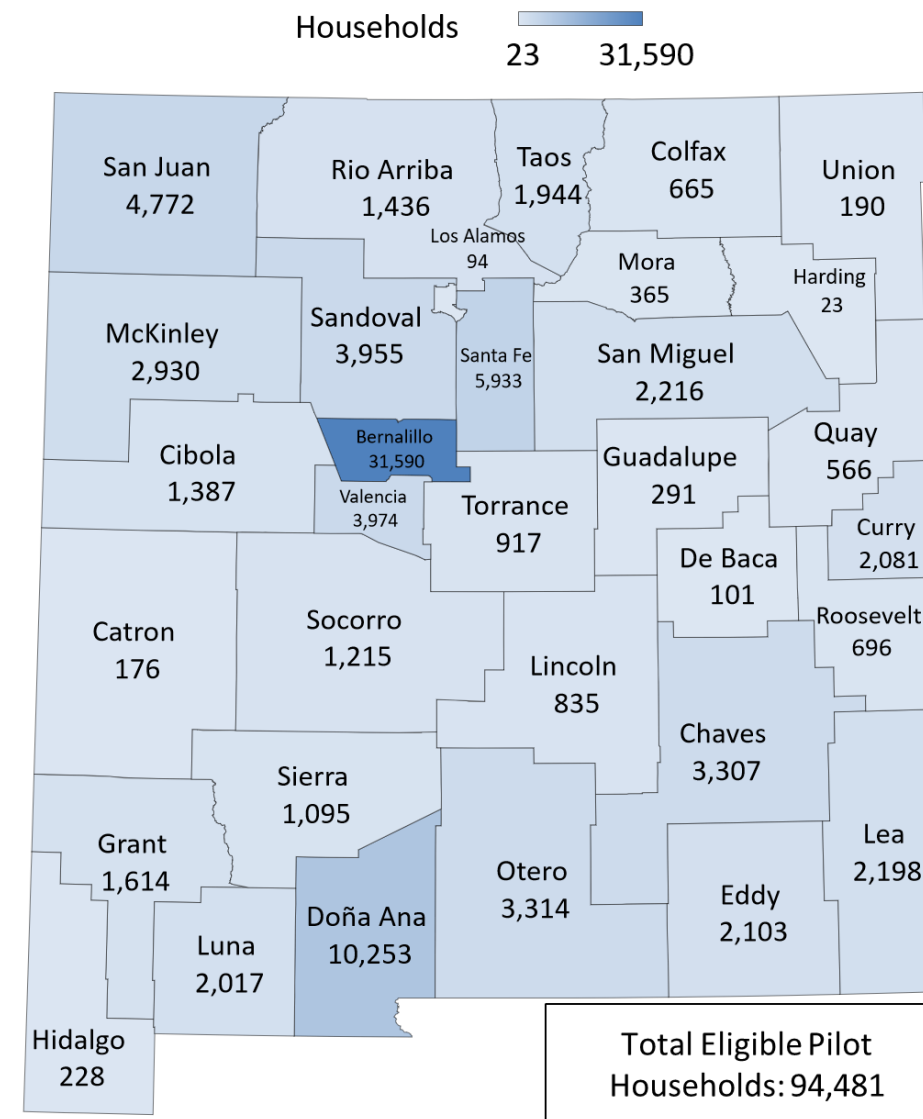
**Q. How long does it take to become an authorized Pilot restaurant?**

**A.** Between 30-60 days.

**Q. How long will it take for a restaurant to be reimbursed for SNAP meal purchases?**

**A.** Reimbursement should occur 24 hours from time of purchase.

## Eligible SNAP Restaurant Meals Pilot Households by County, September 2023



Source: ASPEN, SNAP recipients September 2023.

Investing for tomorrow, delivering today.



## CLOSING THE MEAL GAP BY SUPPORTING NEW MEXICO'S FOOD BANKS

### Overview

This request provides funding support to 5 NM food banks in distributing 5,174,265 LBS pounds of food serving **537,309 New Mexicans**.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$5,000.0	\$5,000.0	\$0
Federal Funds	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$5,000.0</b>	<b>\$5,000.0</b>	<b>\$0</b>

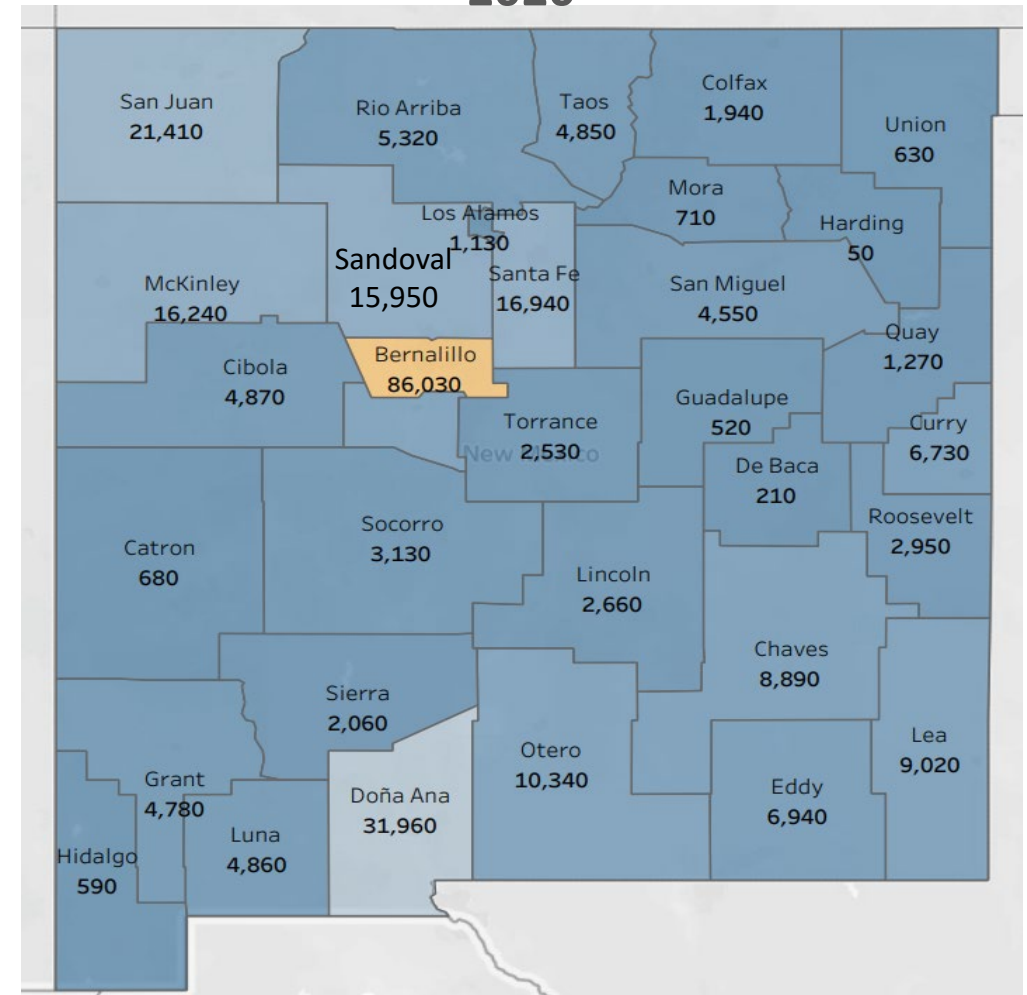
### Evidence for Investment

- Food insecurity is a complex issue that is a symptom of the underlying issue of poverty. It remains essential to support food banks offering robust emergency food assistance across the state.
- Food banks received Reach and Resiliency Round 1 and 2 and New Mexico Food Security grant to expand existing programs and build hunger-relief infrastructure.
  - While this funding facilitated additional programming into more communities, the funding did not allow the purchase of food.

### Return on Investment

- Support for food banks can improve food security and alleviate hunger among lower-income New Mexicans by ensuring they have access to nutritious food.
- By addressing food insecurity, this request can reduce the burden on public healthcare systems, improve educational outcomes, and support individuals in their ability to participate in the workforce, ultimately contributing to economic stability and growth.

### Food Insecure Individuals By County, 2020



Source: Food Initiative Dashboard, New Mexico Department of Finance and Administration: [Food Initiative Dashboard | New Mexico Department of Finance and Administration \(state.nm.us\)](https://www.state.nm.us/finance/)

# CLOSING THE MEAL GAP BY SUPPORTING NEW MEXICO'S FOOD BANKS

## Benefits for New Mexicans

Food insecure New Mexicans gain improved access to essential food resources, which helps ease hunger and promote better overall health and well-being. This request contributes to the economic stability of the state by reducing the strain on public services, enhancing workforce participation, and fostering a healthier, more productive population.

## Frequently Asked Questions

**Q. How many meals do the food banks provide to New Mexicans, and are they healthy?**

**A.** The NM Association of Food Banks reports that the distribute on average 3.3 million meals each month, 13% of the foods are proteins and 46% are fruits and vegetable?

**Q. Food banks have previously received federal funding from HSD? What's the status?**

**A.** NM food banks received \$5 M from HSD from a CY22 Special Session appropriation that expires 6/30/25. Roadrunner Foodbank and The Community Pantry have funds remaining and are on track to be spent by June 2025. The remaining 3 food banks have exhausted their funding.

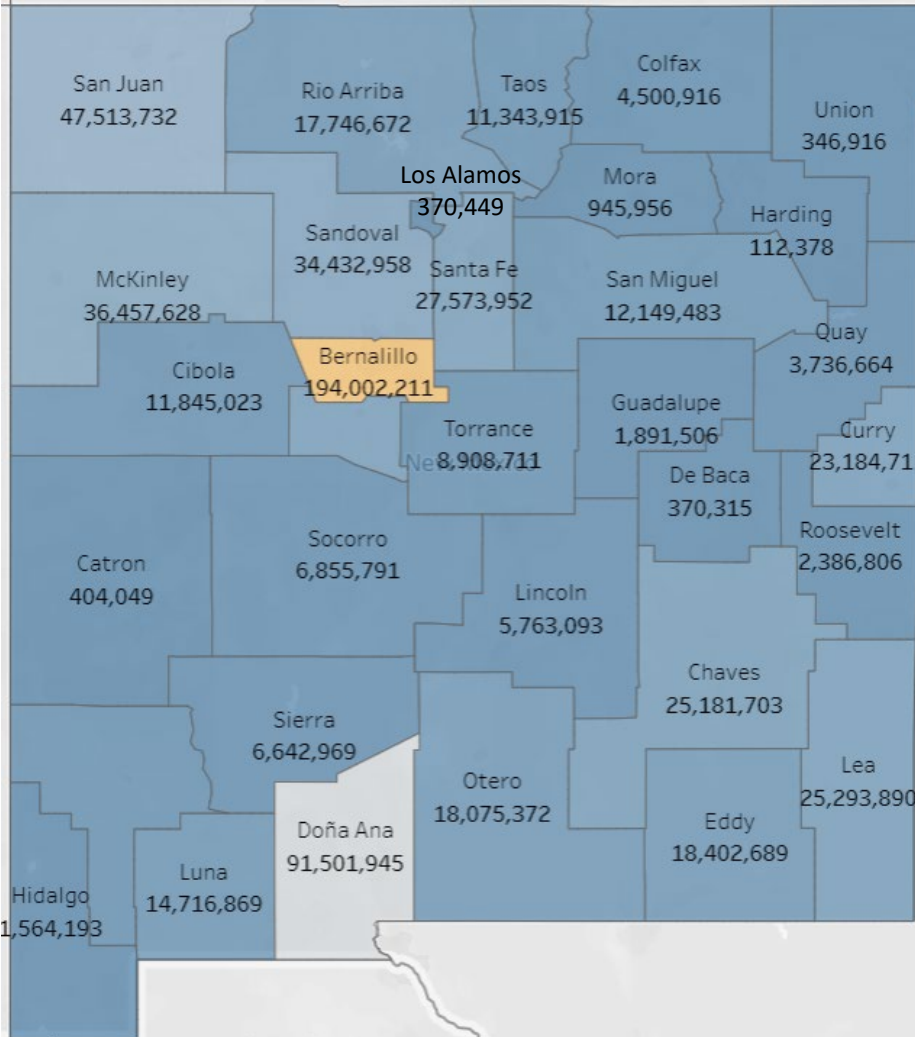
**Q. How many New Mexicans will benefit from these funds?**

**A.** Approximately 537,309 New Mexicans.

**Q. What is the meal gap?**

**A.** The meal gap is a conversion of the total annual food budget shortfall in a specified area divided by the weighted cost per meal in that area. The meal gap represents the translation of the food budget shortfall into a number of meals.

Meals Provided by County, 2020



Source: Food Initiative Dashboard, New Mexico Department of Finance and Administration: [Food Initiative Dashboard | New Mexico Department of Finance and Administration \(state.nm.us\)](https://www.state.nm.us/finance/food-initiative)



# SUPPORTING CRITICAL CHILD SUPPORT OPERATIONS

## Overview

- Child Support Services Division (CSSD) serves 163,237 unique parents and children in ~53,000 cases by establishing parentage, establishing child and medical support orders, modifying orders, and enforcing orders.
- Child Support relies on critical partners to provide critical financial supports to NM’s children. Costs for these partner contracts have increased, the largest of which is the Consolidated Customer Service Center (CCSC).

General Fund and Federal Fund FY43-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$3,520.05	\$4,256.77	\$736.71
Federal Funds	\$6,833.05	\$8,263.13	\$1,430.09
<b>TOTAL</b>	<b>\$10,353.1</b>	<b>\$12,519.9</b>	<b>\$2,166.8</b>

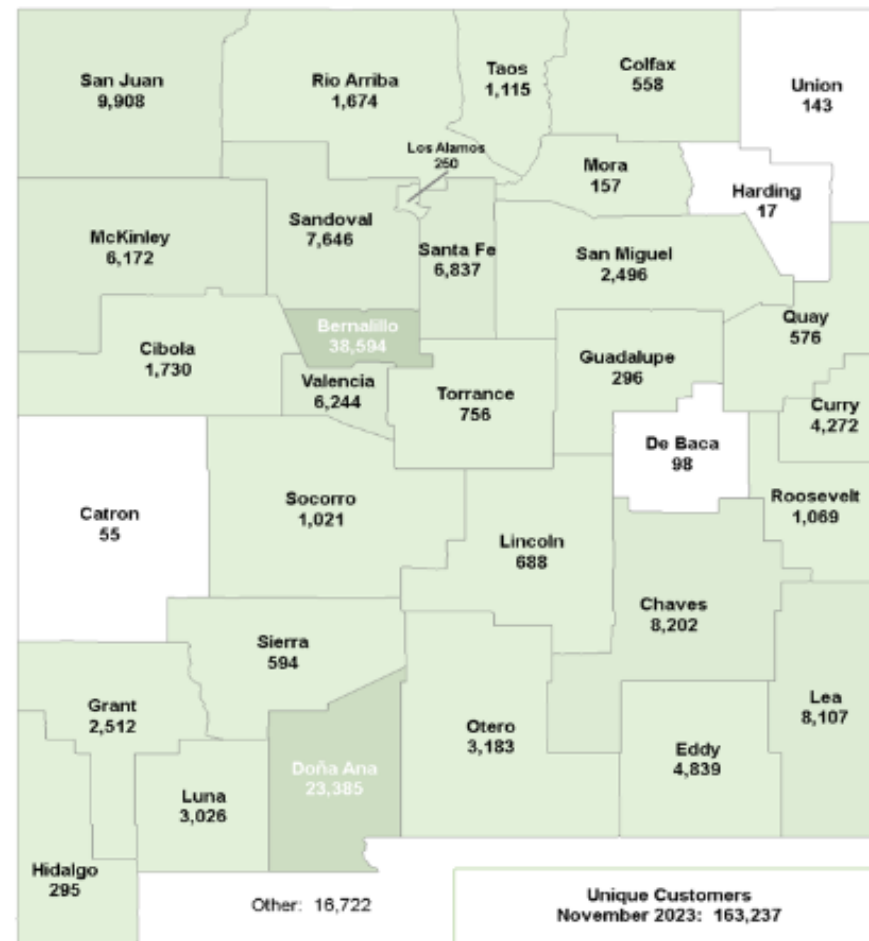
## Evidence for Investment

The CCSC provides convenient customer service support to child support customers and employers by resolving basic questions rather than referring them to the field offices. The CCSC also has Interactive Voice Response, which provides self-service opportunities for customers.

## Return on Investment

CCSC averages 11,700 monthly child support calls with a 1.02% abandonment rate. The wait time averages 45 seconds. Failing to fund the increased cost for the CCSC would negatively affect customer service quality.

Unique Child Support Customers by County, Nov. 2023

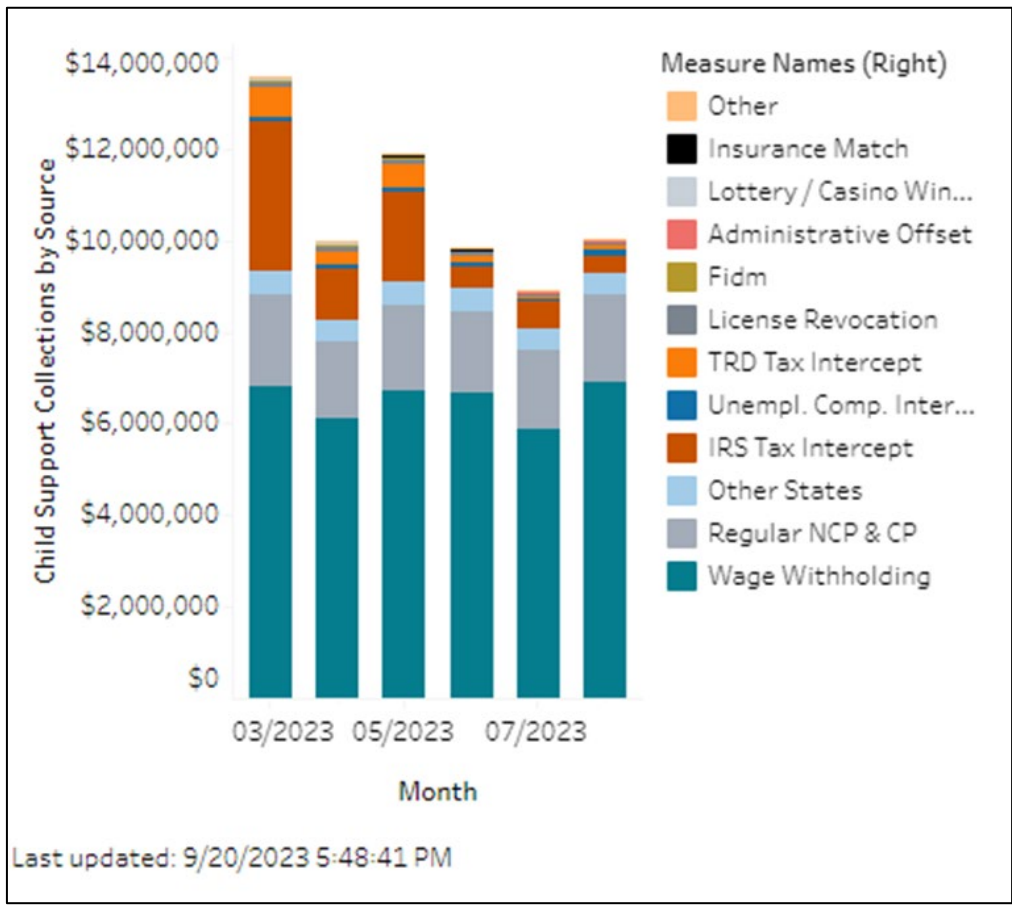
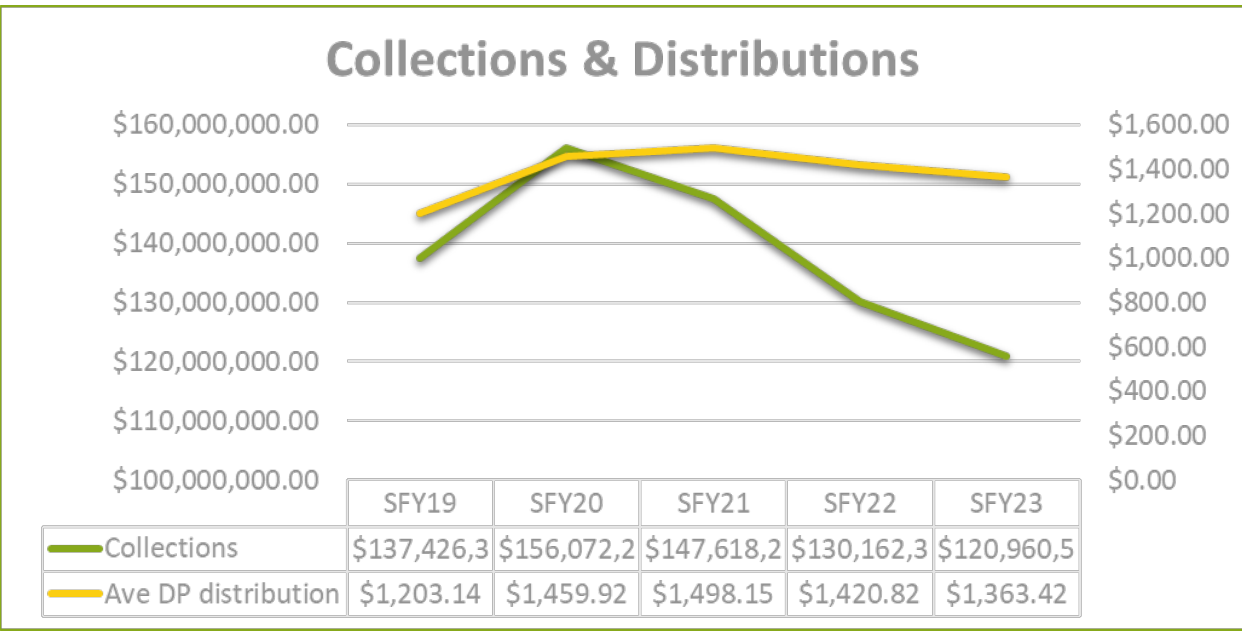


Source: NM Child Support Enforcement System (CSES)



# SUPPORTING CRITICAL CHILD SUPPORT OPERATIONS

- Benefits of CSSD for New Mexicans
  - SFY23 the CSSD collected \$121.1 million for New Mexico families, with **64%** of the collections coming from employer wage withholdings.
  - In addition, more of the collections were distributed to families first, rather than TANF recoveries for the state and federal government recoupment.



Source: <https://sites.google.com/view/nmhsdscorecard/goal-1/child-support>





## ELIMINATE FEES CHARGED TO CHILD SUPPORT PARENTS

### Overview

- This request would eliminate the up to \$250 in fees charged to Child Support families for services they receive from the HCA.
- Fees include but are not limited to those related to establishing paternity, court fees, and enforcing child support order.

General Fund and Federal Fund FY43-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$0	\$234.8	\$234.8
Federal Funds	\$0	\$455.8	\$455.8
<b>TOTAL</b>	<b>\$0</b>	<b>\$690.6</b>	<b>\$690.6</b>

### Evidence for Investment

HCA will measure the Child Support participation rate before and after the elimination of fees to evaluate the proposal's performance.

### Return on Investment

- HCA expects more parents to apply for child support services once they learn there are no fees charged for services provided. This in turn will serve more children with the financial security they need to grow up happy and healthy.
- Nationally and in NM, the child support caseload is declining. More parents may seek services if the HCA eliminates fees.

### Child Support Fees Charged to New Mexican Families *HCA is requesting GF that will eliminate these fees*

a.	ESTABLISHMENT OF SUPPORT ORDER	\$250.00
b.	PATERNITY ESTABLISHMENT	\$250.00
c.	ORDER MODIFICATION	\$150.00
d.	ENFORCEMENT	\$250.00
e.	PARENTAL SUPPORT SUPERVISOR FEE	\$60.00
f.	ANNUAL FEE FOR SERVICE WITHHOLDING	\$25.00
g.	BAD CHECK (ACTUAL COST)	
h.	FILING FEE (ACTUAL COST)	
i.	WITNESS FEE (ACTUAL COST)	
j.	GENETIC TESTING (ACTUAL COST)	
k.	SERVICE OF PROCESS (ACTUAL COST)	
l.	EXPERT WITNESS FEE (ACTUAL COST)	
m.	COURT COSTS (ACTUAL COST)	
n.	IRS FULL SERVICE COLLECTION (ACTUAL COST)	
o.	IRS TAX RECEIPT SERVICE INTERCOM (ACTUAL COST)	\$25.00
p.	TRD TAX INTERCOM SERVICE (PERCENTAGE OF FEE)	\$20.00
q.	ADMINISTRATIVE OFFSET (APPLICABLE FEDERAL FEE)	
r.	RECOUPMENT (ACTUAL)	



## ELIMINATE FEES CHARGED TO CHILD SUPPORT PARENTS

### Benefits for New Mexicans

- Child Support program would benefit more children in absent parent homes by eliminating the fees charged to parents for simply requesting its services. More parents would seek services through CSSD.
- Eliminating this structural barrier will encourage more parents to apply for child support services providing more children with financial support

### Frequently Asked Questions

#### Q. What fees do parents have to pay to receive services from the Child Support Services?

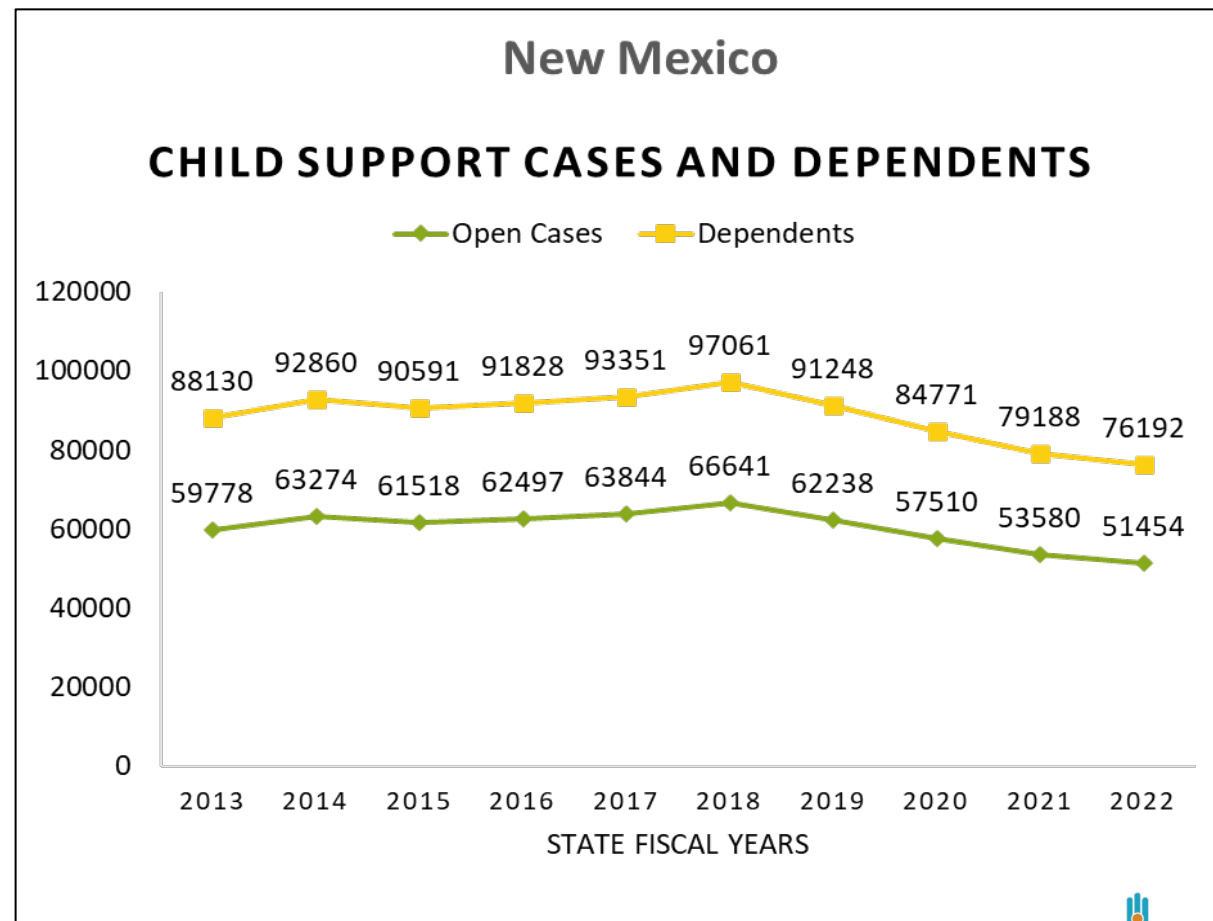
A. CSSD charges its customers who are for establishment of paternity, establishment of a support order, modification of an order, enforcement actions, annual fee for wage withholding, tax intercept and offset services.

#### Q. Do Child Support customers also enrolled in Temporary Assistance for Needy Families pay fees?

A. No, parents receiving TANF do not pay child support fees.

#### Q. Do parents pay the fees up-front?

A. No. Parents do not pay the fees prior to enrolling in the program. Once enrolled in the program, money is withheld from their child support payment to cover any fees incurred.



## BHSD SUPPORTIVE HOUSING EXPANSION

### Overview

- Linkages is a tenant-based permanent supportive housing program for adults experiencing homeless who have a diagnosis of serious mental illness and are also functionally impaired.
- Linkages launches in 2007 with 3 sites, 65 vouchers; currently, there are 8 sites with a voucher capacity of 396.
- Utilization rate for vouchers in FY23 was 90%.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$5,238.0	\$5,238.0*	\$1,000.0
Federal Funds	-	-	-
<b>TOTAL</b>	<b>\$5,238.0</b>	<b>\$5,238.0*</b>	<b>\$1,000.0</b>

\*FY24 included \$1M GF non-recurring funding that HCA requests as recurring in to avoid disruption to current, utilized vouchers.

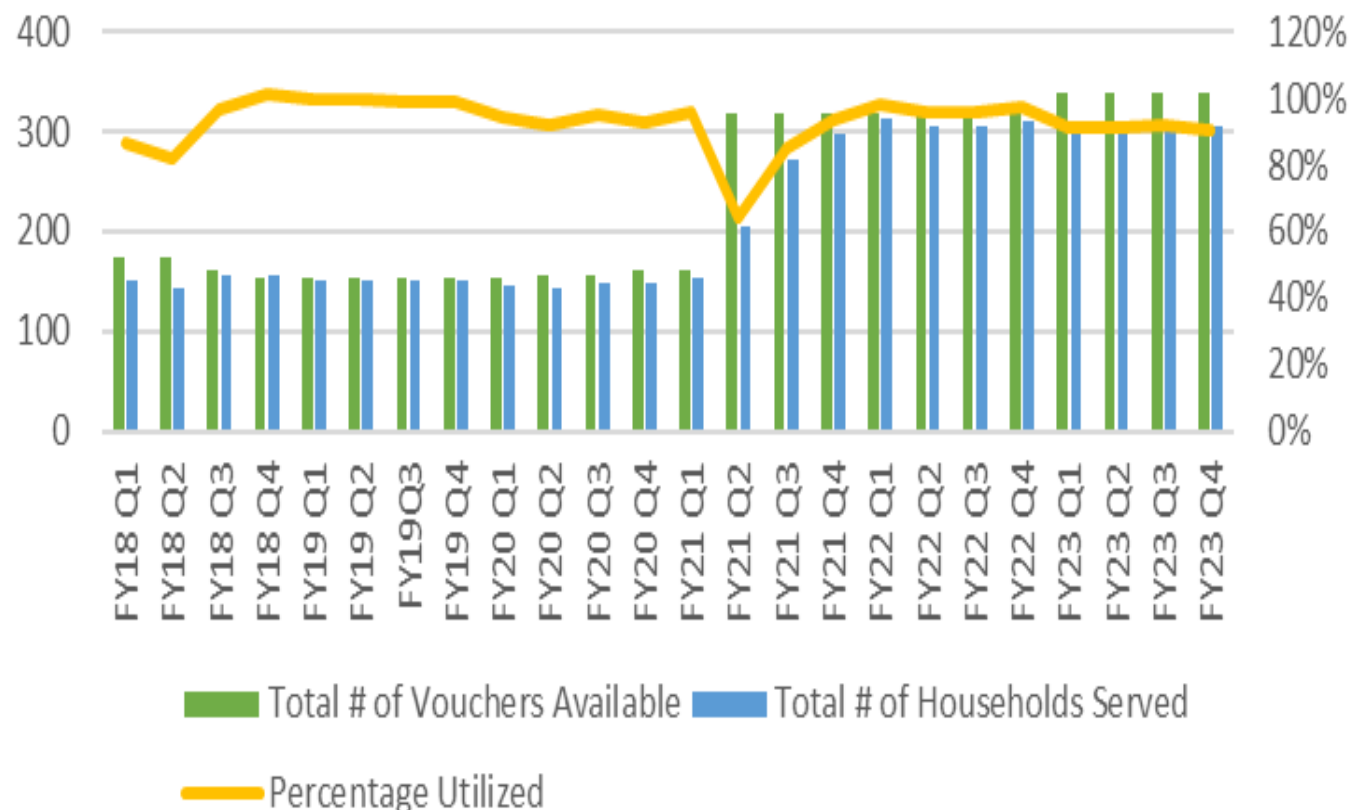
### Evidence for Investment

Stable housing decreases the utilization of services such as, emergency room, detox, outpatient/inpatient services, shelter and incarceration.

### Return on Investment

- Linkages support the eligible individual and their household members.
- With increased funding in FY23, the voucher allowance for rent costs increased to better account for extreme increases in rent costs.
- Linkages voucher capacity increased from 338 to 396 in FY24.

## Households Receiving Linkages Vouchers



## BHSD SUPPORTIVE HOUSING EXPANSION

### Benefits for New Mexicans

Permanent supportive housing programming assists individuals in acquiring, retaining, and maintaining stable housing, making it more conducive for individuals to participate in ongoing treatment and improve the management of their mental and physical health issues. Linkages programming provides individuals with tenant-based rental assistance vouchers and support services.

### Frequently Asked Questions

#### Q. What is the eligibility criteria for Linkages?

A. Adults (18+) with Serious Mental Illness (SMI) or SMI co-occurring disorder, experiencing homeless or precariously housed, and extremely low-income, per US Housing & Urban Development guidelines.

#### Q. What is a Linkages tenant-based rental assistance voucher?

A. A voucher tied to the individual/household rather than to a unit/property. The voucher is partial or full subsidy for rent costs, and utilities could be covered with the voucher.

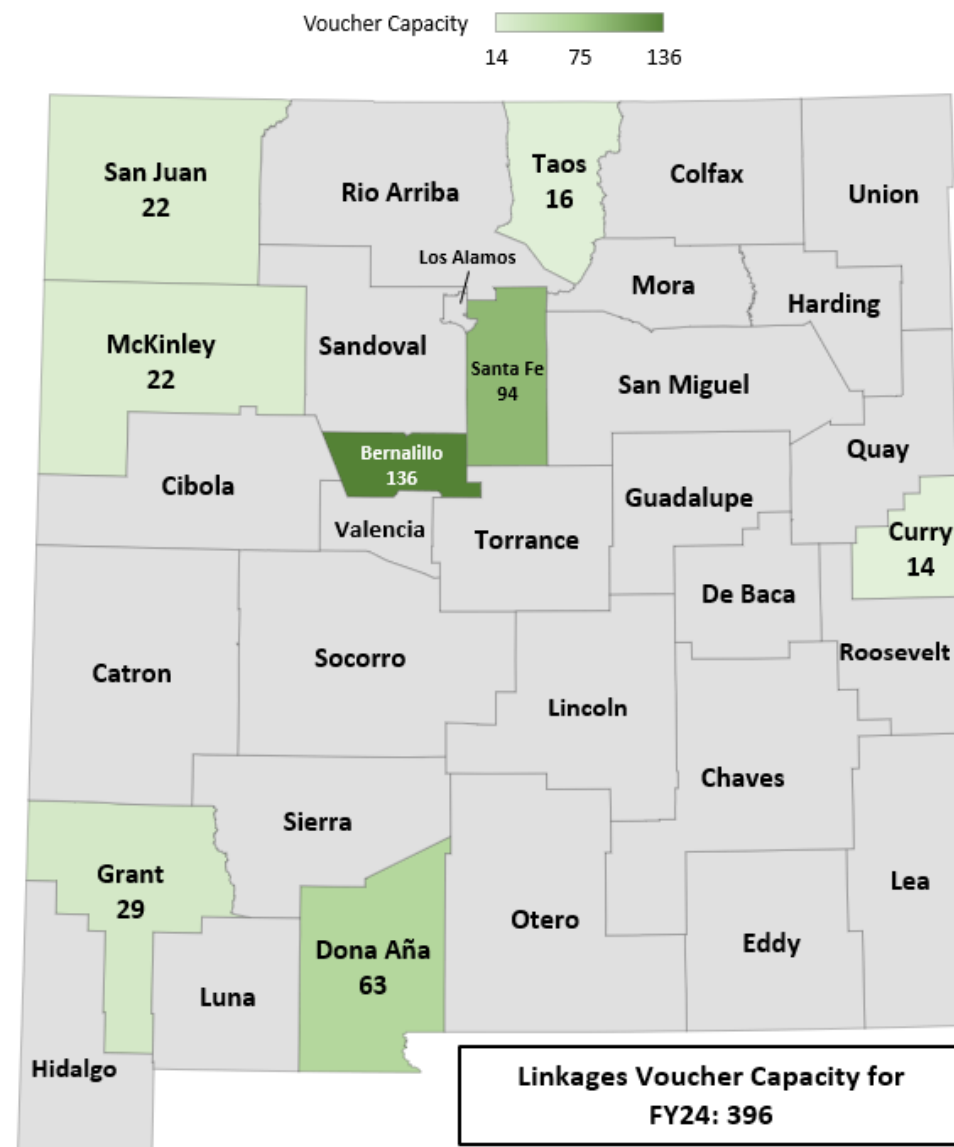
#### Q. Do Linkages vouchers expire?

A. No. Linkages vouchers do not expire and remain indefinite. Linkages providers encourage clients to apply for Section 8 Housing Choice Vouchers to allow for availability of Linkages vouchers to other eligible individuals.

#### Q. What services do Linkages clients receive?

A. Support services include but are not limited to a monthly home visit. Linkages support service providers offer further services as needed.

## FY24 Linkages Voucher Capacity





HEALTH CARE  
A U T H O R I T Y



# FY25 HCA BUDGET REQUEST FACTSHEETS

SETTING UP THE HCA FOR SUCCESS

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

## HCA PROGRAM SUPPORT (EXCLUDING IT) EXPANSION

### Overview

- \$2.3 M GF allocation for expansion of 31 FTE in Program Support within the HCA, enhancing agency efficiency and fiscal responsibility.
- Additional \$1.1 M from transferring 7 FTE from DOH to bolster Program Support by acquiring additional resources.
  - Total GF allocation of \$3.4 M, reinforcing the commitment to strengthening Health Care Authority.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$4,117.0	\$7,473.4	\$3,356.4
Federal Funds	\$12,819.0	\$15,515.3	\$2,696.3
<b>TOTAL</b>	<b>\$16,936.0</b>	<b>\$22,988.7</b>	<b>\$6,052.7</b>

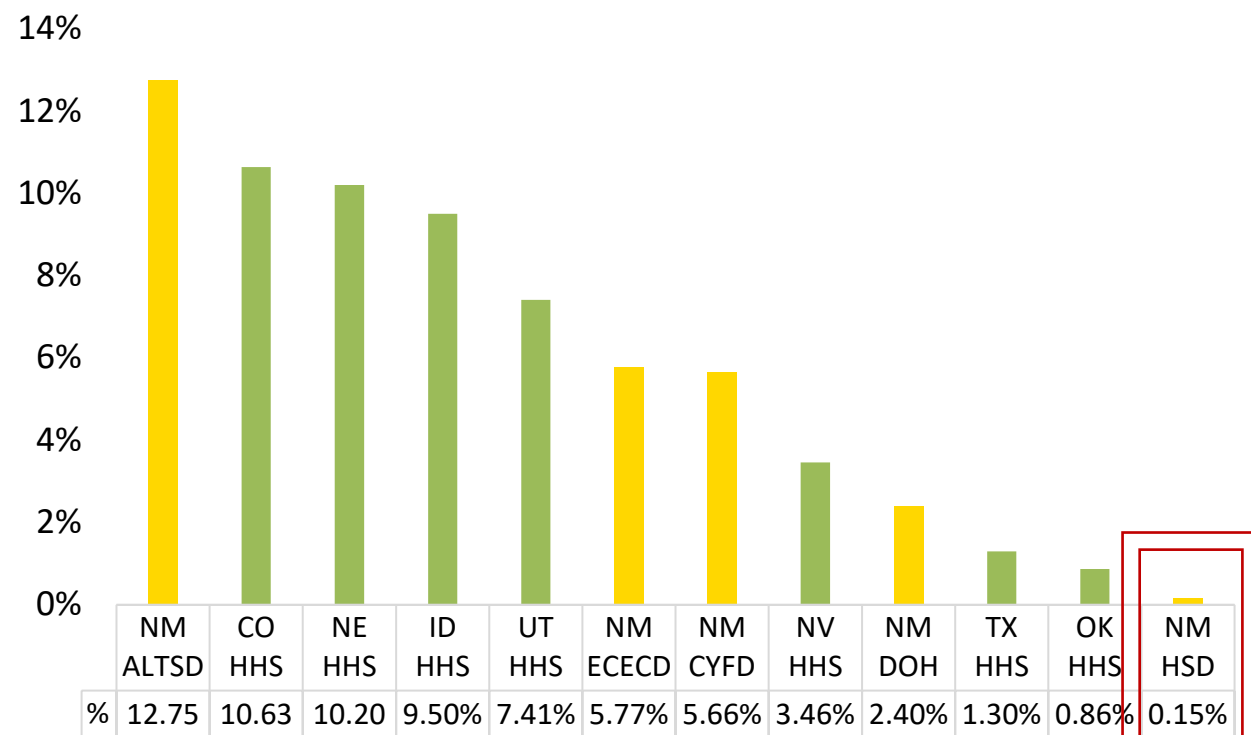
### Evidence for Investment

\$2.3 M GF allocation strategically expands 31 Full-Time Equivalent (FTE) within Program Support, demonstrating the need for increased legal counsel, human resources, financial, and leadership supports that enhance agency efficiency and maintain a low reversion rate.

### Return on Investment

- Investing in Program Support yields a positive return by improving efficiency, compliance, and service delivery, ultimately leading to better outcomes for customers and cost savings in the long run.
- This allocation becomes a key driver for bolstering fiscal responsibility, ensuring a sustainable and well-supported framework crucial for HCA's success.

### NM and State Program Support Budget as % of Agency Overall Budget



## HCA PROGRAM SUPPORT (EXCLUDING IT) EXPANSION

### Benefits for New Mexicans

- New Mexicans benefit from a strengthened Program Support by experiencing improved, timely access to essential health and human services, leading to better overall well-being and quality of life.
- Bolster compliance with state and federal regulations, ensuring HCA is well-equipped to process efficiently additional federal funds, fostering economic growth for New Mexicans.

### Frequently Asked Questions

#### Q. What's included in Program Support?

A. This factsheet refers to the Program Support offices of the Administrative Services Division, Office of Human Resources, Office of the Secretary, General Counsel, Office of Fair Hearing, Office of Inspector General.

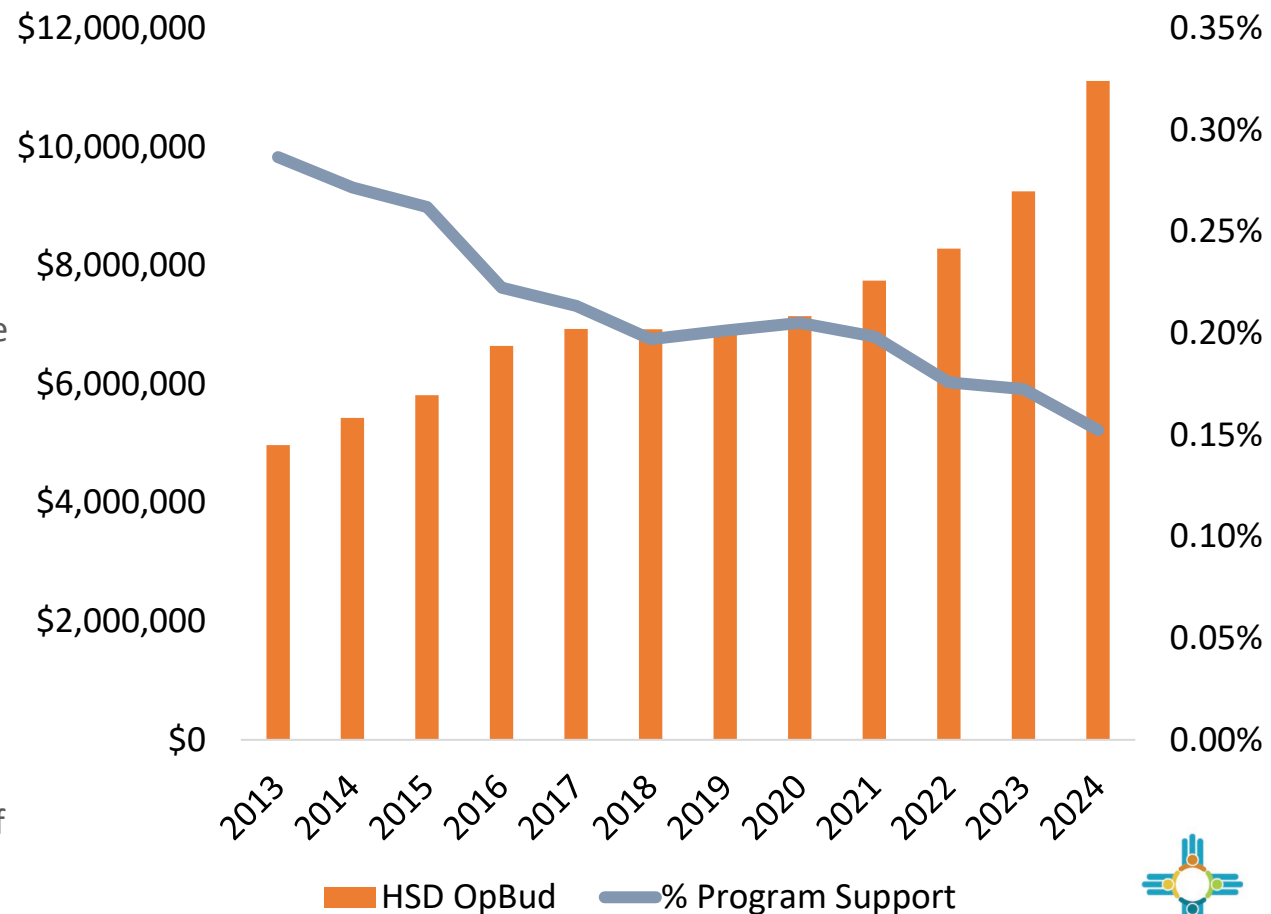
#### Q. Didn't Program Support get any FTE positions from DOH and GSD?

A. HSD received 7 FTE positions from DOH to Program Support to lower HSD's expansion request. However, HSD still needs 31 FTE positions to bolster fiscal responsibility to ensure a sustainable and well-supported infrastructure crucial for HCA's success.

#### Q. Why do you need more staff, what has changed?

A. Year over year HSD's budget continues to grow annually by 21-25% (of this increase 78-82% is federal funding). For every \$2 the Legislature appropriates, HSD has received \$8 of federal funding. However, Program Support's budget decreases while continuing to be responsible for management and fiscal oversight of \$10,595.0 (FF) and \$2,297.5 (GF).

### HSD Program Support Budget as Percentage of Overall Agency Budget, FYs 2013-24



# INFORMATION TECHNOLOGY DIVISION (ITD) HEALTH CARE AUTHORITY EXPANSION

## Overview

- HCA is requesting an expansion for Information Technology Division (ITD) of \$9,152.4 (\$3,157.5 GF) to support transition of new divisions from DOH and GSD.
- HCA expansion will bring ~600 individuals from DOH and GSD to HSD as well as a minimum of 50 new IT applications.
- ITD will need additional support including personnel, software, and infrastructure to support the increased volume and integrate them into the HCA portfolio.

General Fund and Federal Fund FY23-24 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$0.0	\$3157.5	\$3,157.5
Federal Funds	\$0.0	\$5,994.9	\$5,994.9
<b>TOTAL</b>	<b>\$0.0</b>	<b>\$9,152.4</b>	<b>\$9,152.4</b>

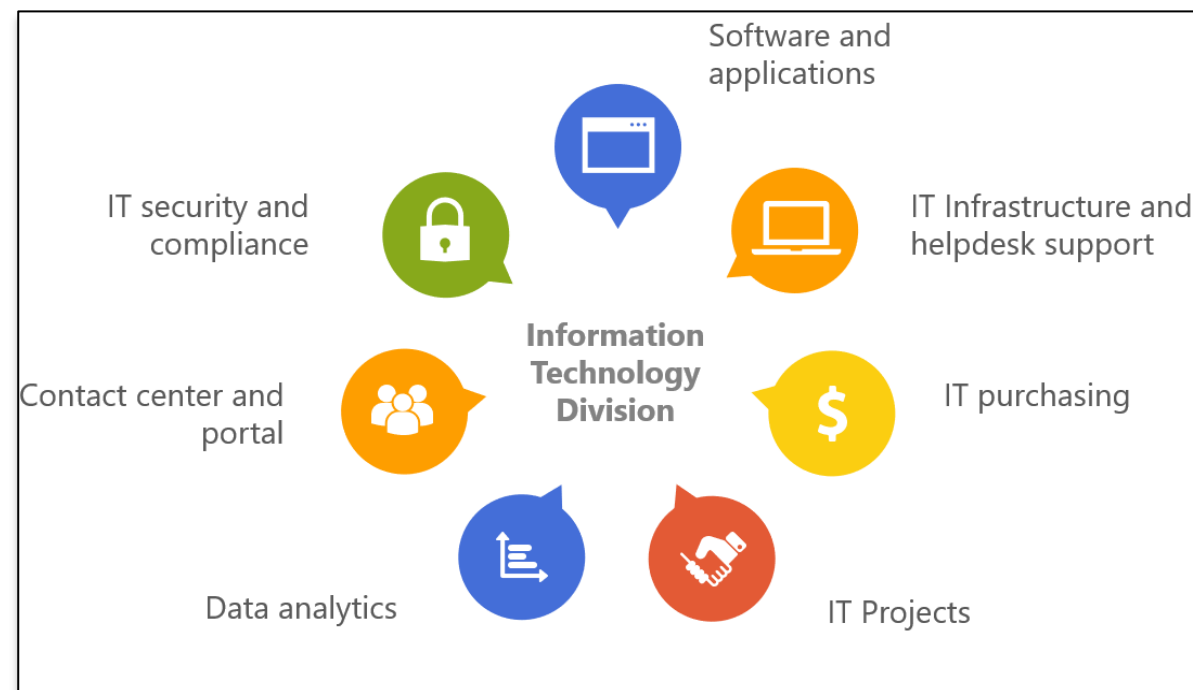
## Evidence for Investment

- Expansion will allow ITD’s response time for problem resolutions to stay the same and/or decrease.

## Return on Investment

- Expansion will provide ITD the funding to increase the current support models and ability to manage the increased volume of staff, equipment and infrastructure.
- This Administration is committed to investing in technology to achieve better interaction and outcomes for our clients and staff.

## INFORMATION TECHNOLOGY DIVISION SERVICES





# INFORMATION TECHNOLOGY DIVISION (ITD) HEALTH CARE AUTHORITY EXPANSION

## Benefits for New Mexicans

This request supports the Department’s strategic plan, reflecting the very high priority the Department places on IT investments to reduce overall costs, improve operational efficiencies and better serve lower-income New Mexicans.

## Frequently Asked Questions

### Q. Why is the expansion needed?

A. This expansion will provide ITD the ability to increase the current support models and ability to manage the increased volume of staff, equipment and infrastructure. This expansion will allow ITD’s response time for problem resolutions to stay the same and/or decrease. The HCA reorganization will bring an additional 600 individuals to and a minimum of 50 IT applications to the new Department. ITD will need additional software and infrastructure to support the increased volume and integrate them into the HCA portfolio.

### Q. How will you measure the improvements?

A. ITD currently utilizes data analytics to monitor response time for problem tickets reported as well as monitoring applications’ availability. With the increase in volume, a need for increase in support is needed.

### Q. What is the consequence of not receiving the expansion?

A. ITD’s current support models will not be able to manage the increased volume of staff, equipment and infrastructure. Response time for problem resolutions will increase.

## Identified IT Applications Transitioning to HCA

IT Application	DOH Unit
Census Database	DDSD
Central Registry	DDSD
Dentrix	DDSD
Discharged (Foley)	DDSD
Discharged Reports	DDSD
DME Works	DDSD
Internal Review Committee	DDSD
<i>Jackson</i> Clients, Reports, Response Survey Tracking	DDSD
LTSD Reports, Startup Manager	DDSD
Minimum Data Set/ Outcome and Assessment Info. Set	DDSD
Pre-admission Screening and Resident Review	DDSD
Regional Office Request for Assistance (RORA)	DDSD
Secondary Freedom of Choice (intranet)	DDSD
Supported Employment	DDSD
Therap	DDSD
Worx	DDSD
ASPEN	DHI
Abuse, Neglect, & Exploitation	DHI
Caregiver Criminal History Screening Program	DHI
Facility Electronic Licensing and Info. eXchange system	DHI
Incident Management Intake/Closure System	DHI
Incident Report Online	DHI
Provider Search	DHI
QMB Database Application	DHI
Reporting and Dashboard Application Results	DHI

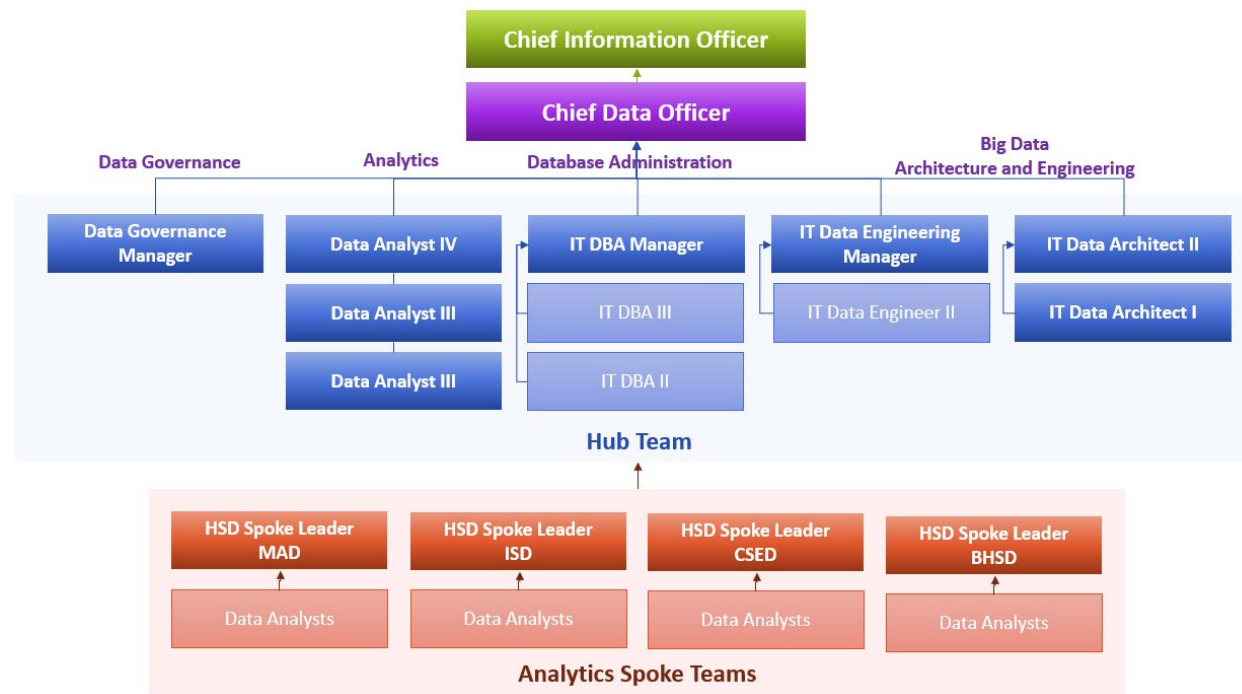
# OFFICE OF DATA & ANALYTICS (ODA): SUPPORTING NEW MEXICO'S HEALTHCARE AUTHORITY

## Overview

- HCA requests \$1.2M GF for FY25 to build and maintain an Office of Data & Analytics, in the structure of a hub and spoke model, which improves and enhances data reporting and analytics across HCA and other agencies.
- Spokes are decentralized teams of analysts providing analytical support on business processes, program design, problems and decisions. The Hub will work with Spokes to standardize processes, facilitate training to enhance skills, and enhance platforms to improve performance.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
General Funds	\$ -	\$1,210.5	\$1,210.5
Federal Funds	\$ -	\$2,298.4	\$2,298.4
<b>TOTAL</b>	<b>\$ -</b>	<b>\$3,508.9</b>	<b>\$3,508.9</b>

## Office of Data & Analytics Hub & Spoke Model



## Evidence for Investment

- Significant reduction in vendor costs that currently support analytics.
- Timely and accurate analytics are readily available to support business outcomes and mission critical priorities.
- Economy of scale and lowering technical ownership costs. For example, 50% enrollment and eligibility reports are supported by a single data mart and comprehensive dashboard.
- Data to support complex analytics instilling trust in the results and supporting reproducibility and repeatability.

## Return on Investment

- As collaboration deepens, agencies will develop cross quality measures to show program impact and cost savings.
- Real-time and prescriptive analytics can help identify agency operational efficiencies and improve customer service.
- Horizontal and patient centric analysis of care to evaluate outcomes and insight into evidence-based policymaking.



# OFFICE OF DATA & ANALYTICS (ODA): SUPPORTING NEW MEXICO'S HEALTHCARE AUTHORITY

## Benefits for New Mexicans

- Develop a State of NM Social Determinants of Health and Health Equity for improved targeted programs and interventions
- Develop a 'family profile' and predictive analytics identifying what is needed most to keep families together, children safe, and ease trauma.

## Frequently Asked Questions

**Q. How many staff are needed for the Hub & Spoke model and how will HSD recruit them successfully?**

**A.** HCA is requesting to fill 10 positions where 5 positions will be reclassification and the remaining 5, new positions. To fill these positions, we will leverage internal advertising, contract staff, interviewing for success, and an advertising page and recruiting video to share on social media. Long term focuses on a talent pipeline and career path. This includes internal training to develop staff, building relationships with educational entities, networking, and the creation and cultivation of analyst networking groups.

**Q. How will this improve the experience for customers?**

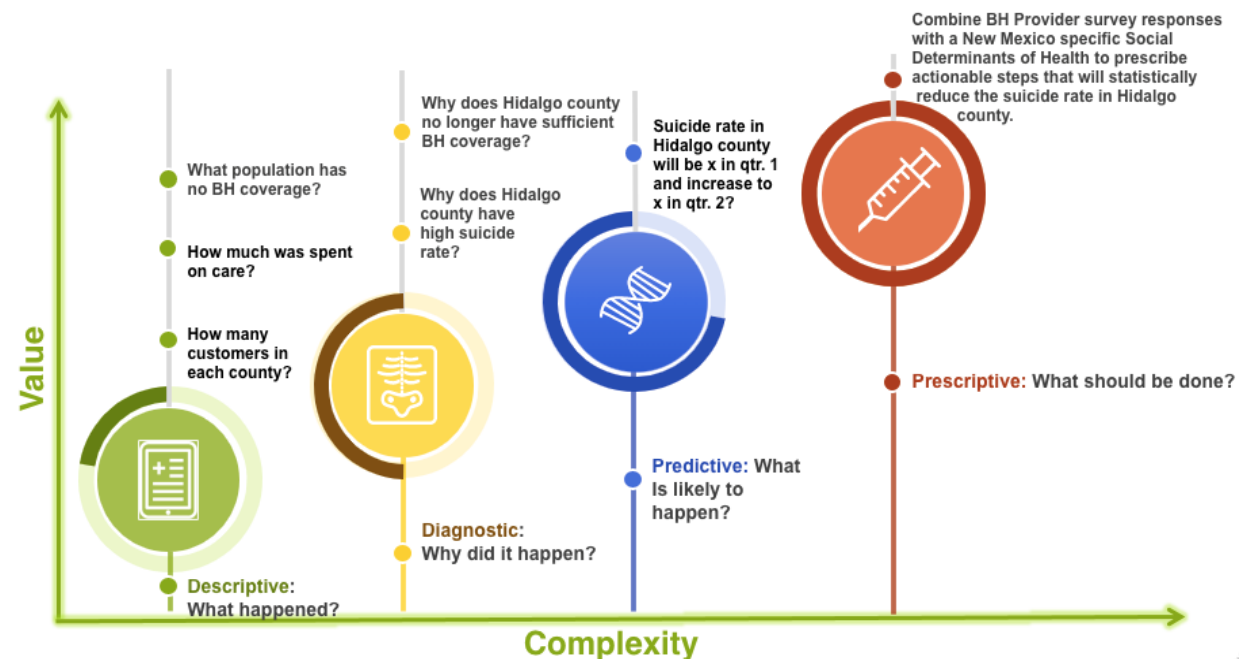
**A.** Key drivers of equity are identified on 50%+ HHS 2020 collective population and information is used to target individuals or families for care coordination, benefits, and evidence to drive policy change.

**Q. Do Hub & Spoke Models exist in the private sector?**

**A.** Yes, Presbyterian Healthcare Services has used this model for years, growing the analytical population from 10 to 50 with advanced analytics. The user community supported by this team is in the thousands with customers ranging from administration to physicians.

## DATA ANALYTICS LEVELS

*Hub & Spoke Model will help agencies move from descriptive analytics to prescriptive analytics*



## BETTER SERVING NEW MEXICANS THROUGH GREATER DIVISION OF HEALTH IMPROVEMENT STAFFING

### Overview

- It is the mission and goal of DHI to assure the safety and quality of care in NM’s health facilities and community-based programs, through oversight, prompt survey and investigatory work that protects and promote the well-being of all New Mexicans.
- Super allocation has added 4,000 additional Home and Community-Based Waiver (HCBW) participants into services with no additional budget allocation to DHI.
- Additional staff will provide oversight to the expanded programs and facilities.

General Fund and Federal Fund FY24-25 (thousands)			
	FY 2024	FY 2025	Difference
<b>General Funds</b>	\$10,047.9	\$13,023.9	\$2,976.0
<b>Federal Funds</b>	\$8,374.8	\$8,155.5	(\$219.3)
<b>Other Funds</b>	\$1,913.0	\$1,913.0	\$0
<b>TOTAL</b>	<b>\$20,335.7</b>	<b>\$23,092.4</b>	<b>\$2,756.7</b>

### Evidence for Investment

For Federal FY23 DHI continues to be a top performing Federal state survey agency among all 50 states with the US Centers for Medicare and Medicaid Services (CMS) (per CMS CASPER report and SPIRIT reports).

### Return on Investment

Additional surveyors and investigators will ensure HCBW providers are surveyed annually and conduct safety and wellness checks for 80% of the population.

### Key Data Factors Driving Needed Expansion

- For FY23 DHI completed 2259 Investigations for 3,900 HCBW recipients  
For FY25 DHI is projecting 3,500 cases for 7,400 HCBW recipients
- For FY23 QMB completed 61 HCBW provider surveys and completed 881 individual compliance service reviews and 787 HCBW safety and Wellness visits
- For FY25 it is the executive directive for DHI to survey all 150+ HCBW providers annually and complete safety and wellness visits on 80% of all HCBW recipients (5,920 recipients)
- For FY24 CMS has expanded requirements for triaging and assigning health facility complaints requiring 24/7 intake coverage and faster onsite assignments, For FY23 14,000+ complaints were received and triaged
- DHI currently licenses 3,122 various health facilities, these facilities have annual, bi-annual, or other cycled survey schedules in addition to any complaint investigations conducted
- For FY23 DHI processed 43,000+ caregiver background checks
- For FY24 DHI added the licensure of rural emergency hospitals as a new type of facility and added 3 boarding homes, while identifying others potentially meeting the definition for licensure.
- For FY23 DHI processed over 3,000 new Certified Nurse Aide (CNA) applications, over 4,700 CNA reciprocity requests, and over 2,100 CNA renewal applications.

## BETTER SERVING NEW MEXICANS THROUGH GREATER DIVISION OF HEALTH IMPROVEMENT STAFFING

### Benefits for New Mexicans

- DHI plays a critical role in improving the health and safety of New Mexicans by ensuring that healthcare facilities, community-based Medicaid waiver service providers and community support services deliver safe and effective healthcare and community services under laws, regulations, and standards of practice.
- Compliance is achieved through timely and thorough surveys and investigations which improve quality of care and safety for recipients

### Frequently Asked Questions

#### Q. How often does DHI conduct compliance surveys and investigations?

A. HCBW provider compliance surveys are completed annually. ACC facilities, LTC and Skilled Nursing Facilities recertification surveys are completed annually, bi-annually or as directed by protocol and complaint investigations are completed within assigned priority timeframes.

#### Q. How long does it take to complete an investigation of Abuse, Neglect, and/or Exploitation?

A. Average investigation takes an investigator between 150 to 200 hours to complete. Each investigator completes between 60 to 80 cases annually.

#### Q. What has changed that is driving the need to increase DHI staffing?

A. The super allocation has added 4,500 new customers into waiver services. CMS has expanded facility complaint triage requirements to include an 24/7 after-hours on call component. Addition of new licensed facility types, including boarding homes and rural emergency hospitals.

### DHI: Assuring safety and quality of care in New Mexico's health facilities and community-based programs.

DHI operates a 24/7 after-hours intake hotline to report abuse, neglect, and exploitation in community programs

95% of abuse, neglect and exploitation investigations completed according to established timelines

91% of assigned investigation initiated within required timelines

806 hotline calls regarding health facilities were received and processed resulting in 499 onsite investigations being conducted.

Health facility complaints team completed 6,931 internal desk reviews of incidents and plans of correction.

DHI conducted 185 onsite surveys including 279 complaint assignments in Nursing Homes with 1335 deficiencies cited.

Conducted 130 onsite surveys including 172 complaint assignments in Assisted Living Facilities with 677 deficiencies cited.

Completed 2,300 certifications of CLIA laboratories.

97% of nursing home citations upheld by CMS when reviewed.





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# APPENDIX

CSER, FELIX & MMISR SUMMARIES

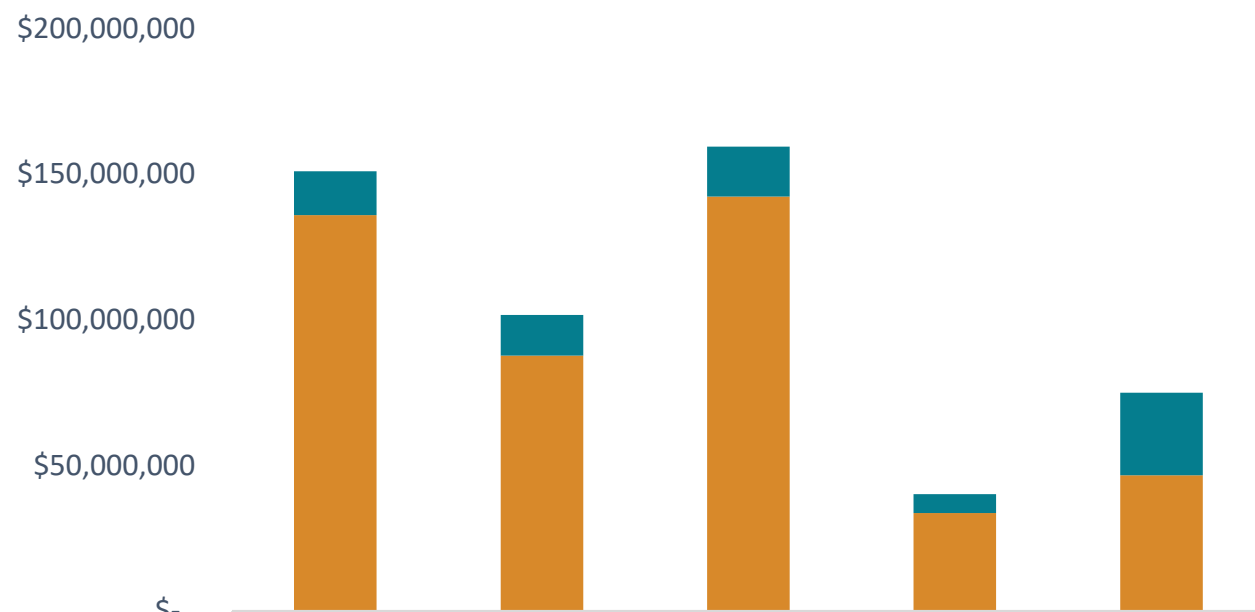
*INVESTING FOR TOMORROW, DELIVERING TODAY.*

# MMISR & HHS 2020 IS OPTIMIZING EVERY POSSIBLE FEDERAL DOLLAR FOR HHS AGENCIES SUPPORTING NEW MEXICANS

- By expanding MMISR to include other HHS 2020 initiatives, HCA identified opportunities to better serve more New Mexicans using integrated IT solutions.
  - Expanding MMIS-R outside of Medicaid allows 5\* agencies to access federal funding, stretching GF further across 11 projects.
- HCA has 2 HHS 2020 IT projects (MMISR and CSER). 5 of 9 MMIS-R modules have some functionality in production.
  - In CY 24, Unified Portal will expand its mobile-friendly, real-time and simplified customer service, streamlining eligibility and enrollment for customers applying for TANF, SNAP, Medicaid, and utility assistance.

**\$446.4 M FF Supporting 11 IT Projects Across 5 Agencies**  
*84.6% Avg. Federal Match*

**MMISR & HHS 2020: Actuals & Budgeted Spending (GF & FF)**



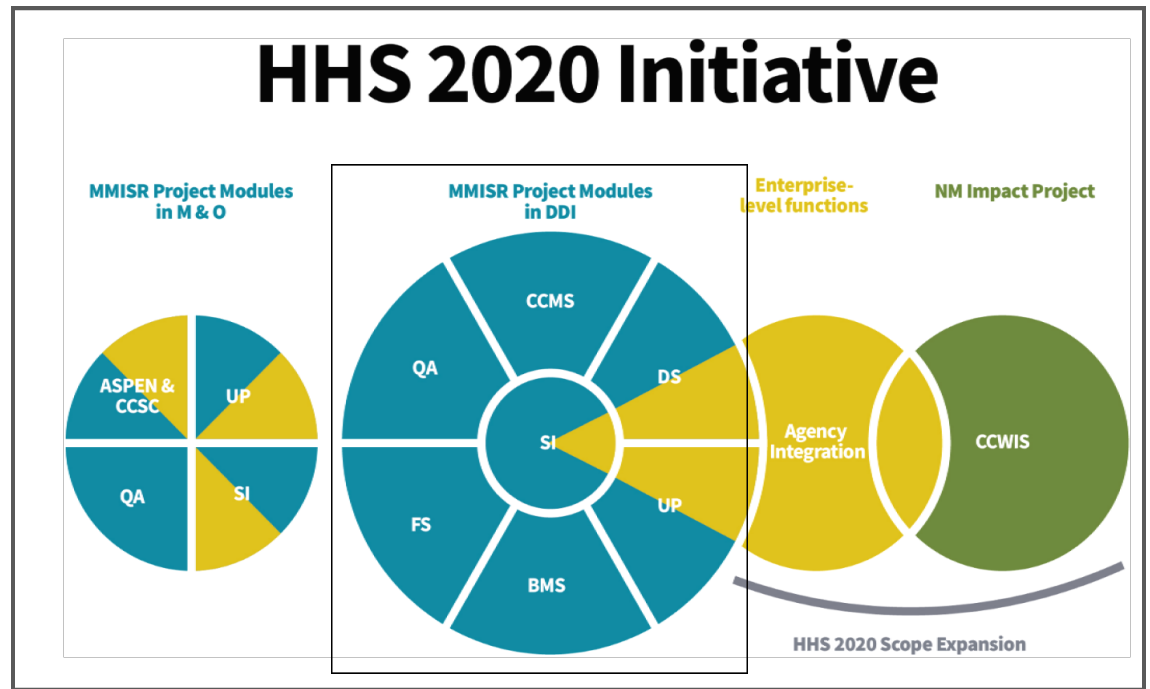
	MMISR Actuals thru 09/2021	HHS 2020 Actuals thru 09/2023	MMISR Budget	HHS2020 Budget	CCWIS Budget
Federal Match	90.00%	86.26%	89.23%	83.74%	62.24%
General Fund	\$15,107,009	\$13,977,468	\$17,184,111	\$6,526,820	\$28,320,654
Federal Funds	\$135,963,082	\$87,782,426	\$142,374,711	\$33,621,566	\$46,681,078

MMIS-R: Medicaid Management Information System Replacement; CSER: Child Support Enforcement Replacement; CCWIS: Comprehensive Child Welfare Information System.

\*ALTSD, CYFD, DOH, ECECD, HSD

# MMISR\* BUILDING A FOUNDATION TO TRANSFORM LIVES: PROGRESS SINCE AUGUST 2021

- Secured federal approval and funding from 4 federal agencies for MMISR multi-agency project in January 2022, and continued to renew federal funding in FFY23 and FFY24.
- First multi-agency approval in the nation to include a child welfare system.
- Reduced project risk to its lowest level by implementing stronger project governance and oversight in 2019 and project team has maintained project risk level despite 5 module vendors in active DDI stage.
- Increased recoveries to \$16M in SFY23 and achieved over \$40M in new cost avoidance for Medicaid in SFY23 – all money retained as dollars within Medicaid and used to support other NM clients in future.
- Executed multi-agency data sharing agreement between five state agencies to eliminate barriers for data sharing among the health and human services agencies in October 2022 and creation of Data Governance Council.



HSD requests MMISR state general funds with the 90% CMS federal match.

Enterprise functionality leverages state funding for ECECD, DOH, ALTSD and CYFD and HSD non-Medicaid programs and under the Multi-Op receives a blended federal match rate of 83.74%.

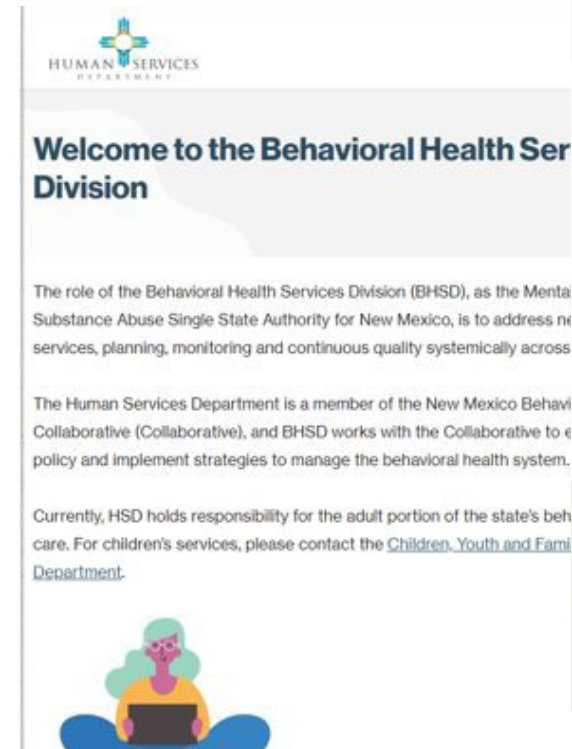
CYFD requests CCWIS state general funds for NM Impact achieving a blended rate of 62.24% vs the traditional with 50% ACF federal match.





# MMISR\* BUILDING A FOUNDATION TO TRANSFORM LIVES: MMISR PROGRESS SINCE AUGUST 2021

- Launched behavioral health unified portal in July 2022.
- Leveraged shared services technology to **implement electronic document management** for 2 local Child Support offices with 2 more offices in progress and over **2.8 million pages scanned**.
- Extended electronic document management technology to ECECD— resulting in over 150 statewide users trained in the Child Care division for all new documents scanned.
- Launched Robotic Processing Agent with the ASPEN eligibility system to update addresses into ASPEN. This data exchange is one of 2.5 million data transactions, updating daily **System Integration Platform** between Consolidate Customer Services Center (CCSC) and ASPEN to assist customers.
  - Robotic Processing Agent save 53 FTE/yr. and also add newborn to parent's Medicaid.
- CCSC manages average of 120,000 calls/mth., 800 chats/day.



# CHILD SUPPORT ENFORCEMENT REPLACEMENT STATUS

## *Stage 1 - Refactoring*

- Changed infrastructure architecture from on-premise mainframe hardware to Amazon Web Services cloud services, which **decreased Maintenance and Operation costs by \$2 M/yr.** (currently in 2<sup>nd</sup> year).
- Implemented Distribution Rule changes, which disbursed money directly to the custodial parent, **faster than any other state.**
- Implemented an Application Program Interface that connected to Dept. of Workforce Solutions to share information, streamlining processes and procedures.

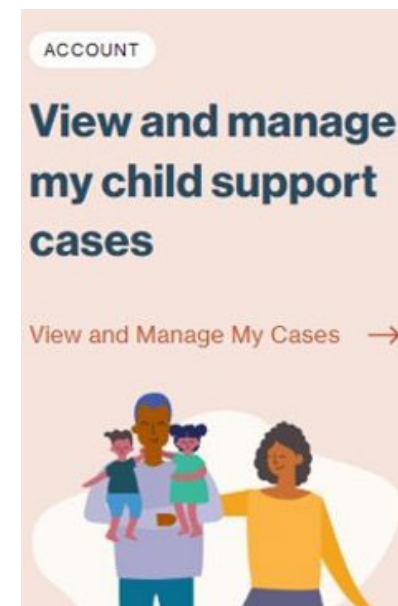
## *Stage 2 – Replacement*

- Child Support customers will enjoy a more consistent and accurate interface for submitting and monitoring payments made to the program.
- Child support staff will receive a modern solution that automates cumbersome processes, optimizes workflows, and minimizes need for manual intervention and workarounds. Such improvements will accelerate operational timelines and enhance the overall casework quality.
- Integration with HHS 2020 allows for data sharing and dashboards to gain a holistic customer view. This will also allow for interfacing with other state agencies outside of HCA, giving leadership the ability to make swift and well-informed decisions that drive strategic planning.



# CESER\* LEVERAGING HHS 2020 TECHNOLOGIES TO PROVIDE MORE CHILD SUPPORT TO KIDS

- Implemented scanning into local child support offices through use of Enterprise Document Management, a part of HHS 2020 Enterprise technologies.
- Launched and upgraded existing child support websites for customers and employers in 4/23 resulting in:
  - 55,000+ user visits,
  - 8,000+ new user accounts created,
  - 3,500+ accounts linked, and
  - 1,600+ new applications submitted via child support portal.

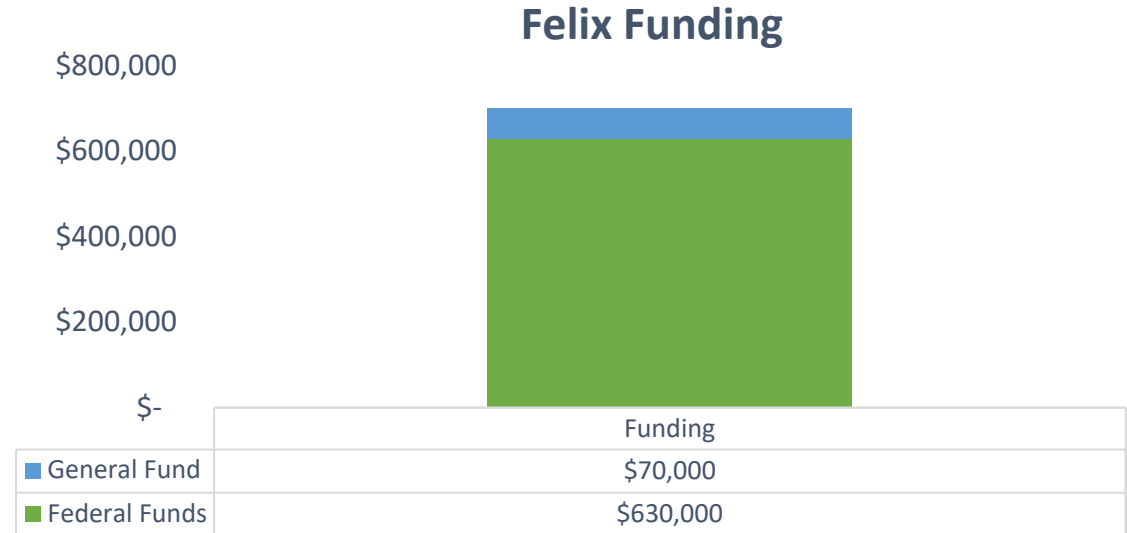


## Human Services Department Programs



# FELIX FY25 C2 REQUEST IMPROVES HEALTH CARE FACILITY LICENSING DATA COLLECTION & ANALYSIS

- FELIX IT system is critical for issuance of licenses for healthcare facilities, interfacing with Centers for Medicare and Medicaid Services (CMS) national database known as Aspen Central Office.
  - FELIX also functions as public portal for individuals to access licensed facility survey reports and data analysis.
- FELIX project replaces current software, which has reached its end of life. The replacement software will meet new CMS requirements.
  - FELIX improvements will eliminate lost productivity due to frequent crashes and provide better access to healthcare facility data.
- This is a renewal of a prior C-2 funding request, to continue the project to complete solution.
  - Project is ready to go to RFP upon receipt of FY25 funding.



Solution = FELIX Software System Replacement  
 IV&V = Independent Verification and Validation



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# APPENDIX

HSD FINANCIAL AUDIT FINDINGS

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# HSD ANNUAL FINANCIAL AUDITS

	SFY 2022	SFY 2023
Total Federal Funds Expended	\$9,204,558.8	\$9,513,211.9
Number of Separate Grants	58	57
Audit Due Date	November 15, 2022	November 15, 2023
Date Audit Submitted to OSA	November 15, 2022	November 15, 2023
Number of Findings	3	3
Opinion on Financial Statements	Unmodified	Unmodified
Opinion on Federal Programs	Unmodified	Unmodified



# SFY 2021 HSD FINANCIAL AUDIT FINDINGS

Finding	Corrective Action Plan	Status
2022-001 Accounts Receivable	Management will review outstanding Federal Account Receivable to determine collectability during SFY 2023 Q3. In SFY 2023 Q4, entries will be corrected by 6/30/2023 based on determination of collectability.	Resolved
2023-001 Provider Screening (Medicaid)	MAD successfully provided screening and license verification for all providers, except for MCOR providers. MCOR requests are submitted by MCOs, therefore this process does not require providers to submit license or other credentials to enroll with New Mexico Medicaid. MAD recently changed MCOR approval term to two years from the date of approval, thus MCORs will be excluded from revalidation process. The program is currently working on a system memo to include MCORs to the monthly screening process.	Modified and Repeated from 2022-003
2023-002 Reporting-Federal Funding Accountability and Transparency Act (FFATA)	ASD staff from the Contracts and Procurement and Grants Management Bureau are working with Division Staff to gather the appropriate data to report and submit the Federal Funding Accountability and Transparency Act (FFATA). ASD did submit the FFATA report, however we will work to ensure that this report is submitted timely.	Modified and Repeated from 2022-002

# SFY 2022 HSD FINANCIAL AUDIT FINDINGS

Finding	Corrective Action Plan	Status
<p>2023-003 Reversions</p>	<p>NMHS D has a total of seven program funds. Each fund is reconciled individually after the NM Department of Finance (DFA) has closed the June 2023 accounting period. Five of the seven funds were reconciled, completed and submitted by the Fiscal year 2023 reversion deadline. However, two of our largest funds-Fund 052 (<i>General Fund</i>) and Fund 976 (Medicaid) were in progress. Each fund has a large volume of transactions and reconciliations. These funds also require extensive division staff collaboration and assistance. Due to major changes in these programs and including approvals from our federal partners this caused a change in the Medicaid Projection Model that affected the Medicaid IBNR accrual and the reversion amounts. ASD diligently worked to reconcile and validate this activity, which took time to complete, however we needed to ensure that we accounted for our general funds appropriately which affected our reversion amounts.</p>	<p>The reversions for these funds were calculated and transferred to DFA on November 30, 2023.</p>







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# APPENDIX

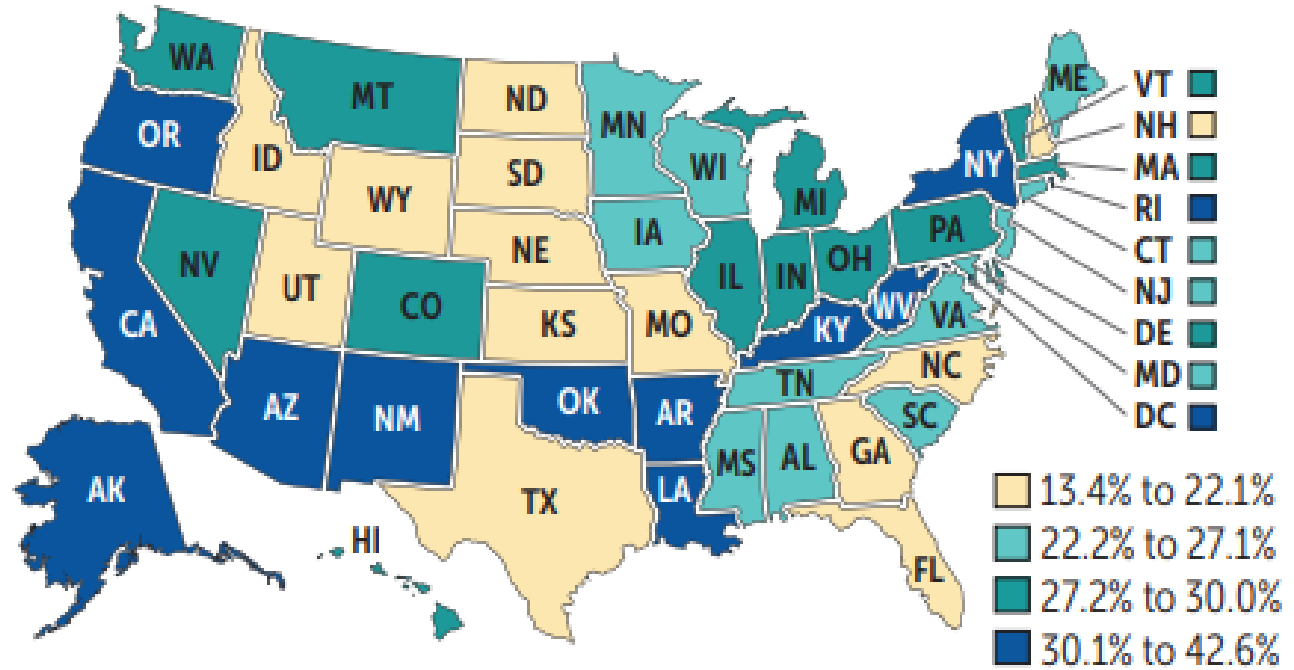
## HCA UPDATE & ACTIONS

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# THE HCA IS POSITIONED TO LEAD THE NATION IN HEALTH CARE PURCHASING, EQUITY, AND ACCESS

- The HCA demonstrates the Governor’s commitment to prioritizing health and well-being of every New Mexican by creating a single agency for health care purchasing, policy, and regulation.
- The HCA will transform how NM purchases health care, leveraging the purchasing power of Medicaid to improve cost, quality, and outcomes.
- The HCA will leverage expertise, optimize data analytics, and drive accountability to achieve improvements in health care system.

Children & Adults Enrolled in Medicaid or CHIP, 2022 (%)



Note: Enrollment in Medicaid or CHIP represents individuals who are eligible for full Medicaid or CHIP benefits.

Source: <https://www.medicaid.gov/sites/default/files/2023-04/beneficiary-ataglance-2023.pdf>

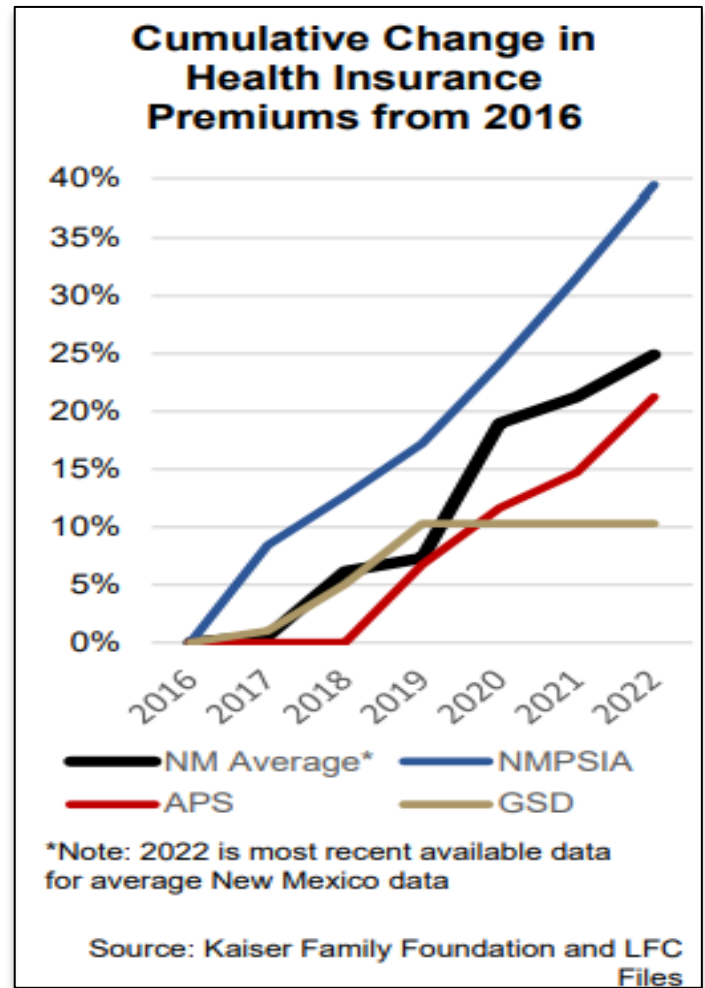


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# THE HCA WILL ENABLE DELIBERATE PARTNERSHIP TO IMPROVE NM PURCHASING POWER

- **Executive Order** requesting that the HCA, the NM Public Schools Insurance Authority (NMPSIA), the NM Retiree Health Care Authority (RHCA), and other Interagency Benefits Advisory Committee (IBAC) agencies work together to develop a coordinated and comprehensive purchasing plan for health care benefits for public employes and retirees that can be implemented by 7/1/25.
- **Proposed legislation:**
  - Administratively attach the HCA and RHCA effective July 1, 2024;
  - Require the IBAC to make purchasing recommendations to the Secretary of the HCA for final decision-making; and require the IBAC agencies to engage in joint contracting for health benefits effective July 1, 2025; and
  - Move the New Mexico Health Care Affordability Fund and coverage team (including the transfer of staff and appropriations) from the Office of the Superintendent of Insurance (OSI) to the HCA effective July 1, 2024.



Source: <https://www.nmlegis.gov/handouts/ALFC%20092723%20Item%2017%20Health%20Insurance%20and%20Risk%20Rates.pdf> ; Public School Insurance Authority (NMPSIA), Albuquerque Public Schools (APS), General Services Department (GSD)



# FIVE FOUNDATIONAL ACTIONS WE ARE TAKING NOW

- 1. Ensuring that the HCA is in a favorable position for procuring health benefits contracts** by exercising a Procurement Code exemption to execute one-year contracts with current carriers for the State of NM.
- 2. Conducting a full analysis of the best options for NM** to include a full actuarial comparison of the self-insured model compared to fully insured model.
- 3. Thoroughly reviewing performance of the current system** by initiating a claims integrity audit.
- 4. Onboarding expertise** to consider procurement strategies and negotiate favorable contract terms for State of NM benefits (including reverse auction procurement and Medicare reference-based pricing).
- 5. Protecting employees** from unsupported out-of-pocket price increases (deductibles and co-pays) without adequate data analysis and understanding of impacts.

