**NEW MEXICO**

**HUMAN SERVICES DEPARTMENT**

**Medicaid Management Information**

**System Replacement (MMISR) Project**



PROPOSAL ADDENDUM 2 (Two)

ADDENDUM TITLE: HHS 2020 Background Information  
NM HSD and Medicaid

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| **Date** | **Version # & Reason for Revision** | **Requester** | **Editor/Author** |
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# BACKGROUND INFORMATION - Business Objectives

This section provides background on HSD that may be helpful in preparing the proposal. The information is provided as an overview and is not intended to be a complete or exhaustive description.

## HSD MISSION AND ROLES

To reduce the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance.

## HSD GOALS AND OBJECTIVES

The Human Services Department’s major goals and objectives are to:

* *Goal 1*: Promote Self-Sufficiency of our Recipients
  + *Task 1.1*: Increase job readiness and access to sustainable employment and housing
  + *Task 1.2*: Increase Member engagement in his/her care
  + *Task 1.3*: Support families’ financial stability by removing barriers to child support orders and collections
* *Goal 2*: Slow the Growth Rate of Health Care Costs and Improve Health Outcomes
  + *Task 2.1*: Implement value-based purchasing that promotes integration of services, reduces costs and increases quality of care
  + *Task 2.2*: Reduce service gaps through innovative delivery models that build Provider capacity
  + *Task 2.3*: Collaborate with partners to support prevention models and reduce health disparities
  + *Task 2.4*: Detect and prevent fraud, waste and abuse
* *Goal 3*: Implement Person-Centric Service Models
  + *Task 3.1*: Streamline and enhance access and engagement of constituents
  + Task 3.2: Develop a new model for delivery of public assistance programs for demonstration
* *Goal 4*: Improve Administrative Effectiveness and Simplicity
  + *Task 4.1*: Implement paperless document management
  + *Task 4.2*: Execute the MMIS and CSES replacement Project
  + *Task 4.3*: Implement staff development plans
  + *Task 4.4*: Internal review of program effectiveness

## HSD ORGANIZATION

HSD is a cabinet-level Department in the Executive Branch of New Mexico State government. The Department is headed by a Cabinet Secretary appointed by the Governor and confirmed by the New Mexico State Senate. HSD consists of the Office of the Secretary (OOS) and six (6) divisions.

As of July 2019, HSD has more than 2,000 employees and maintains contracts with community-based Providers throughout the state. HSD’s central offices are located in Santa Fe:

* Plaza La Prensa: Behavioral Health Services Division (BHSD), Child Support Enforcement Division (CSED); Fair Hearings Bureau, Income Support Division (ISD), Medical Assistance Division (MAD), Office of Human Resources (OHR), Office of the Inspector General (OIG);
* Rodeo Road Building: Administrative Services Division (ASD), Office of General Counsel (OGC); Office of the Secretary (OOS), Restitution Division of the OIG; and
* Siler Road Building: Information Technology Division (ITD).

HSD has a total of 50 offices statewide across all divisions.

HSD manages an annual budget of more than $6.6 billion of State and Federal funds and administers services to more than 950,000 low-income New Mexicans through programs such as:

* Medicaid
* Children’s Health Insurance Program (CHIP)
* Supplemental Nutrition Assistance Program (SNAP)
* Temporary Assistance for Needy Families (TANF)
* The Emergency Food Assistance Program (TEFAP)
* School Commodity Foods Program
* Homeless Meals
* General Assistance (GA) for low-income individuals with disabilities
* Community Services Block Grants (CSBG)
* Refugee Resettlement Program (RRS)
* Low-Income Home Energy Assistance Program (LIHEAP)
* Child support establishment and enforcement
* Behavioral health services (mental illness, substance abuse, compulsive gambling)

These programs are administered through four program divisions:

* Behavioral Health Services Division

BHSD’s primary role is to serve as the Single State Mental Health and Substance Abuse Authority for the State of New Mexico. Additional information available at:

[Behavioral Health Services Division | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/behavioral_health_services_division/)

* Child Support Enforcement Division

CSED operates within a Federal-State partnership to establish paternity, enforce child support collections and distribute funds. Additional information available at:

[Child Support Enforcement Division | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/child_support_enforcement_division/)

* Income Support Division

ISD administers public assistance programs for the State of New Mexico, including TANF, SNAP, CSBG, LIHEAP, RRS, GA, food distribution and nutrition education. Additional information available at:

[Income Support Division | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/income_support_division/)

* Medical Assistance Division

MAD manages and administers the State’s Medicaid program, which provides healthcare coverage for approximately 900,000 New Mexicans, more than one out of three persons in NM. Additional information available at:

[Medical Assistance Division | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/medical_assistance_division/)

In addition to the four program divisions, HSD is supported by:

* Administrative Services Division

ASD manages and accounts for HSD finances and provides administrative support to the remainder of HSD. Additional information available at: [Administrative Services Division (nm.gov)](https://www.env.nm.gov/general/administrative-services-division/" \l ":~:text=The%20Administrative%20Services%20Division%20provides%20program%20support%20to,Financial%20Officer%20%E2%80%93%20Marlene%20Velasquez%20%E2%80%93%20%28505%29%20476-3723)

* Information Technology Division

This support enables the department to fulfill the mission of HSD in an efficient and responsive manner, and ensures that HSD gains full benefit from its current and future investments in technology.

[Information Technology Division | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/information_technology_division/)

* Office of Human Resources

OHR supports HSD managers and staff by performing recruiting, hiring and termination; administering employee benefits; handling classification and compensation; managing employee and labor relations; supporting staff development and training; and leading emergency preparedness, safety and loss prevention. Additional information available at:

[Office of Human Resources | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/office_of_human_resources/)

* Office of the Inspector General

OIG supports HSD through two bureaus. The Internal Review Bureau (IRB) provides independent, objective assurance and consulting for HSD’s operations and public assistance programs. Additional information available at:

[Office of Inspector General | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/office_of_inspector_general/)

* Office of the General Counsel

OGC assists HSD with contract development, participation in Recipient and Provider hearings, Federal and State litigation, legislative initiatives, negotiations, settlements, evaluation of legal documents, training, compliance with State and Federal laws and regulations and policy and program development. Additional information available at:

[Office of General Counsel | New Mexico Human Services Department (state.nm.us)](https://www.hsd.state.nm.us/about_the_department/office_of_general_counsel/)

## PROJECT STAKEHOLDER ENVIRONMENT

The ecosystem in which Medicaid and most human services operate is characterized by complexity. Each program supported by Federal funds has many requirements, reporting obligations, fund management requirements and demands associated with the central and regional offices of the involved Federal agency(s). In addition, numerous State entities provide both direction and oversight for HHS programs and systems. Requirements for security, financial audit, compliance and technology are driven by multiple oversight agencies and partners and often include specific performance and reporting. In short, the environment is highly regulated, dynamic, very complex and subject to intense scrutiny.

In addition, programs are expected to promptly adapt to new Federal and/or State standards and legislation that may require changes to rules, processes, systems, communications and more. This environment dictates services and solutions that are flexible, scalable and time responsive.

The HHS 2020 Project involves a wide variety of Stakeholders, including:

1. **Federal Partners and Oversight Organizations**
   1. Centers for Medicare and Medicaid Services – our Federal partner in the Medicaid program and for the MMISR Project. As the primary funder of the MMISR Project (ninety [90] percent Federal Financial Participation (FFP) for development) and Medicaid services, CMS requires states to have MMIS solutions that align with their Seven Conditions and Standards (SCS) and with the MITA. In addition to funding, CMS provides overall guidance, consultation and Project support for the Project. Additional information available at:

[Medicaid.gov: the official U.S. government site for Medicare | Medicaid](https://www.medicaid.gov/)

* 1. Office of Child Support Enforcement (OCSE) - our Federal partner in the Child Support Enforcement program and in the Child Support Enforcement System Replacement (CSESR) Project. As the primary funder of the CSESR Project (sixty-six [66] percent FFP for development) and related services, OCSE requires states to have Child Support Enforcement System (CSES) solutions that align with their OCSE guidance. OCSE provides overall guidance, consultation and Project support for the CSESR Project. Additional information available at:

[Office of Child Support Enforcement (OCSE) | The Administration for Children and Families (hhs.gov)](https://www.acf.hhs.gov/css)

1. **State of New Mexico Stakeholders and Oversight Organizations**
   1. Department of Information Technology *–* the State of New Mexico’s central IT organization, DoIT has three principal roles in relation to the MMISR Project:
      1. Provide oversight of information technology (IT) Projects performed for the State, including reviewing Project progress, reviewing funding requests, participating in key meetings and conducting formal reviews throughout Project life.
      2. Specify IV&V requirements for IT Projects and receive reports from the MMISR IV&V Contractor.
      3. Operate the State data center(s) where the SI Solution may be hosted and provide other critical infrastructure to State agencies.

Additional information available at:

[Home - New Mexico Department of Information Technology (nm.gov)](https://www.doit.nm.gov/)

* 1. HSD – the procuring agency for the MMISR Project.

Additional information available at:

[New Mexico Human Services Department | To transform lives. Working with our partners, we design and deliver innovative, high quality health and human services that improve the security and promote independence for New Mexicans in their communities. (state.nm.us)](https://www.hsd.state.nm.us/)

* 1. Department of Finance and Administration (DFA) – provides budget direction and fiscal oversight to State agencies and have administrative control and oversight of the state-wide financial accounting system, SHARE. DFA administers the Cash Control Bureau (CCB), which prepares statewide cash and investment reconciliations. The MMISR Solution will interface with SHARE and must meet DFA/CCB requirements for warrant payments, electronic payments and recording accounting transactions. Additional information available at:

[New Mexico Department of Finance and Administration | The Department of Finance and Administration provides sound fiscal advice and problem solving support to the Governor, provide budget direction and fiscal oversight to state agencies and local governments.](https://www.nmdfa.state.nm.us/)

1. **Collaborating Agencies within the NM HHS 2020 Enterprise**
2. NM Children, Youth and Families Department (CYFD) **–** provides an array of prevention, intervention, rehabilitative and after-care services to NM children and their families. CYFD services include Early Childhood Services, Protective Services, Juvenile Justice Services, Behavioral Health Services and Program Support. Most children served by CYFD are Medicaid-eligible and a large percentage of CYFD clients use HSD-managed services. Additional information available at:

[NM Children, Youth & Families Department - CYFD](https://cyfd.org/)

1. NM Aging and Long-Term Services Department (ALTSD) – provides accessible, integrated services to older adults, to adults with disabilities and to caregivers. Additional information available at:

[Home | NM Aging & Long-Term Services](https://altsd.nm.gov/)

1. NM Department of Health (DOH) –manages health-related programs and services across the state. Additional information available at:

[New Mexico Department of Health (nmhealth.org)](https://www.nmhealth.org/)

1. NM Office of the Attorney General (OAG), Medicaid Fraud and Elder Abuse Division (MFEAD) a criminal law enforcement unit that enforces the Medicaid Fraud Act and the Resident Abuse and Neglect Act. Additional information available at:

[Home - New Mexico Attorney General (nmag.gov)](https://www.nmag.gov/)

[Medicaid Fraud Control Unit - New Mexico Attorney General (nmag.gov)](https://www.nmag.gov/about-the-office/criminal-affairs/medicaid-fraud-control-unit/)

In addition to the organizations noted above, HHS 2020 may extend to include interaction with other organizations, such as: NM Department of Workforce Solutions, NM Corrections Department, the Navajo Nation, the Indian Health Service, Tribes and the University of New Mexico.

1. **Contractors**
   1. MMISR IV&V Contractor – will provide IV&V services to the MMISR Project, through MMISR certification, in accordance with CMS and NM DoIT IV&V standards. HSD specified that the IV&V Contractor take a proactive approach to ensure IV&V activities complement the MMISR Project approach and that they assess quality in all aspects of the respective Project components to ensure achievement of program and business objectives. The IV&V Contractor will provide independent, objective guidance and expertise to help ensure MMISR Project success and decrease implementation risks. The IV&V Contractor will have full access to meetings, work products and deliverables associated with all MMISR Project procurements and contracts.
   2. Deloitte – implemented ASPEN, HSD’s eligibility system and now provides maintenance and operation (M&O) support for the system. ASPEN performs eligibility processes for HSD divisions and programs, including Medicaid, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) and others. Currently, ASPEN processes Medicaid eligibility data and sends it to Omnicaid (i.e., MMIS) for enrollment functions. Through the MMISR Project HSD plans to develop ASPEN into a unified Eligibility and Enrollment (E&E) system. HSD plans for Deloitte to perform the necessary changes to achieve this goal
   3. Conduent State Healthcare, LLC – developed, operates and maintains NM’s legacy MMIS. For the MMISR Project, Conduent will be involved in data clean-up, data conversion and migration activities.
   4. MMISR Contractors – associated with each independently procured MMISR module.
   5. CSESR Contractor(s) – associated with the planned CSESR implementation.
   6. Additional HSD-contracted staff – which assist with functions including Project management, requirements development and management, training, testing, financial management, procurement, security, network maintenance, audits, etc.
   7. Additional Enterprise Stakeholder-Contracted staff – who assist with functions including Project Management, requirements development and management, systems development, security, network maintenance, audits, etc.