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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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.

A. **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.

B. **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

C. **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 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 and field 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, ISD, CSED; 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. BHSD staff work collaboratively with partners to promote health and resilience of all New Mexicans and to foster recovery and healthy living in communities. BHSD also

is a key member of the NM Behavioral Health Collaborative and works across State agencies to collaborate on behavioral health issues.

BHSD staff work with MAD staff to provide behavior health expertise and to monitor Centennial Care contracts. BHSD staff is the Centennial Care (New Mexico's Medicaid Program) BH Contract Managers and review both Medicaid and non-Medicaid reporting.

- Child Support Enforcement Division
  CSED operates within a Federal-State partnership to establish paternity, enforce child support collections and distribute funds. Currently CSED is handling approximately 69,000 child support cases, including more than 6,300 Tribal Navajo Nation cases. Child support collections for FY15 totaled $140.1 million. These collections provided assistance with child-rearing expenses for over 104,000 New Mexico and Navajo Nation children.

  CSED personnel work in eleven (11) State field offices (some collocated with ISD), three (3) satellite offices and three (3) Navajo Nation offices.

- 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. In June 2015, approximately 15,276 families benefited from cash assistance and approximately 207,317 families received SNAP benefits.

  ISD staff work in Santa Fe and in 35 field offices statewide.

- 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. Medicaid covers low-income pregnant women, low-income children and their mothers, low-income elderly and disabled individuals and adults ages nineteen (19) to sixty-four (64) with annual incomes up to one hundred thirty-eight (138) percent of the Federal Poverty Level (FPL) (i.e., just under $16,000). Medicaid program expenditures are projected to exceed $5.7 billion in State FY16, with approximately seventy-seven (77) percent of the funding from the Federal government.

  MAD constantly seeks ways to advance its primary goal of providing quality care for New Mexicans while managing costs. With the implementation of Centennial Care, almost 90 percent of the state's Medicaid enrollees access most or all of their Medicaid-covered health-related services through a Managed Care Organization (MCO) rather than through the Medicaid Fee for Service (FFS) program. HSD seeks an MMISR Solution that facilitates timely data reporting, performance measurement and assessment of health outcomes for its clients. HSD also seeks the ability to accurately measure whether its

programs, activities and Vendors are taking actions to improve population health.

As part of the HHS 2020 vision, MAD is undertaking the lead on replacement of the MMIS for HSD and is the Executive Program Sponsor for this initiative. The MAD staff works at two sites in Santa Fe, NM.

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. Working with other support service organizations, ASD manages finances (budget, procurement, payments, revenue collection); performs accounting (general ledger, grant reporting, financial statement preparation, audit management, internal controls); performs property management; and handles lost control and disaster preparedness for HSD.

- Information Technology Division

  Led by the HSD Chief Information Officer (CIO), ITD provides timely, cost-effective IT services to HSD to support mission fulfillment and to ensure HSD gains full benefit from existing and future technology investments.

  ITD provides two principal services software engineering and systems services each of which is led by a deputy CIO. ITD Systems Services comprises two bureaus: Systems Administration Bureau, providing security, administration, maintenance and upgrades of HSD network, operating systems, workstations, servers, routers, firewalls, switches and video equipment; and Production Support Bureau, which provides helpdesk and desktop support for HSD staff statewide. ITD Software Engineering also includes two bureaus: Application Support Bureau support CSES, HSD web applications and ASPEN BI; and the Project Management Bureau provides experienced Project managers who support Projects internal to ITD, participate in the MMIS and CSES replacement Projects and lead IT-related contract development and management.

  ITD staff primarily work in Santa Fe, with one help desk team member and one network specialist assigned to Albuquerque to support offices in the Albuquerque area.

- 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.

- 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. IRB also provides financial investigative support for major OIT criminal, civil and administrative investigations. The Investigations Bureau (IB) addresses allegations of recipient public assistance fraud, Medicaid Provider fraud and Department Professional Standards Investigations. IB works independently and/or in collaboration with other investigative agencies.

- 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.

A. 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**

   a. 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.

b. <u>Office of Child Support Enforcement (OCSE)</u> - 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.

2. **State of New Mexico Stakeholders and Oversight Organizations**

a. <u>Department of Information Technology</u> – 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.

i. Operate the State data center(s) where the SI Solution may be hosted and provide other critical infrastructure to State agencies.

b. <u>HSD</u> – the procuring agency for the MMISR Project.

c. <u>Department of Finance and Administration (DFA)</u> – 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.

3. **Collaborating Agencies within the NM HHS 2020 Enterprise**

a. <u>NM Children, Youth and Families Department (CYFD)</u> – 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.

b. <u>NM Aging and Long-Term Services Department (ALTSD)</u> – provides accessible, integrated services to older adults, to adults with disabilities and to caregivers. These services are intended to assist these individuals in maintaining their independence, dignity, autonomy, health, safety and economic well-being, thereby empowering them to live on their own terms in their own communities as productively as possible. ALTSD services include the Aging & Disability Resource Center, Care Transition Program, Senior Services and Legal Services. Some of the people participating in ALTSD programs are Medicaid-eligible.

c. <u>NM Department of Health (DOH)</u> –manages health-related programs and services across the state. DOH comprises seven divisions: Public Health, Epidemiology and Response, Scientific Laboratory, Development Disabilities and Supports (DDSD), Health Improvement (Health Facility & Certification), Administrative Services and the Office of Facilities Management. Many DOH programs and data connect with NM Medicaid and with other HSD programs and clients. DOH DDSD contracts with HSD to support DDSD's Medicaid-eligible clients. Various DOH programs interact with HSD programs in a bi-directional manner, providing information as well as harvesting Medicaid information. As of this publication, multiple programs and/or systems have been identified for stakeholder engagement with the MMIS Replacement project. Refer to Proposal Addendum 16 (Sixteen) - HHS 2020 Legacy Enterprise Partner Interfaces. Various levels of systems ranging from transactional functionality, eligibility validation and purely analytical repositories. Examples of such functionality include but are not limited to:
   - Case management of healthcare recipients and healthcare assessments;
   - Client intake and eligibility;
   - Provider qualifications for the Meaningful Use of Electronic Healthcare Technology;
   - Hospital and Public Health Electronic Medical Records and Billing for healthcare services;
   - Statewide Immunization Management System;
   - Fair hearings; and
   - Vital Records (Birth and Death records and Maternal authorization)

d. <u>NM Office of the Attorney General (OAG), Medicaid Fraud and Elder Abuse Division (MFEAD)</u> a criminal law enforcement unit that enforces the Medicaid Fraud Act and the Resident Abuse and Neglect Act. The MFEAD investigates and prosecutes Medicaid Providers who commit fraud and/or resident abuse, neglect and exploitation in long-term care facilities. This Division also pursues civil monetary repayment of Medicaid program funds when a Medicaid Provider does not provide adequate services to recipients. MFEAD participates in multi-state cases to recover Medicaid funds that are inappropriately used by nationwide Medicaid Providers.

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.

4. Contractors

a. <u>MMISR IV&V Contractor</u> – 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.

b. <u>Deloitte</u> – 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

c. <u>Conduent State Healthcare, LLC</u> – 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.

d. <u>MMISR Contractors</u> – associated with each independently procured MMISR module.

e. <u>CSESR Contractor(s)</u> – associated with the planned CSESR implementation.

f. <u>Additional HSD-contracted staff</u> – which assist with functions including Project management, requirements development and management, training, testing, financial management, procurement, security, network maintenance, audits, etc.

g. <u>Additional Enterprise Stakeholder-Contracted staff</u> – who assist with functions including Project Management, requirements development and management, systems development, security, network maintenance, audits, etc.