In 2003, Governor Richardson directed all State agencies involved with the delivery, funding or oversight of mental health and substance use treatment and prevention (behavioral health) services to create a single behavioral health service system. The goals of this new system were to improve access and outcomes for people seeking services while eliminating administrative duplication and increasing efficiency. In the last seven years, the NM Interagency Behavioral Health Purchasing Collaborative (Collaborative) has carried out this mission, with the Statewide Entity (SE) – first ValueOptions New Mexico, then OptumHealth New Mexico — as its administrative partner with the Collaborative for system reform.

In January 2010, Governor Richardson directed the Collaborative to issue a new Request for Proposal (RFP) for an SE. This action came as a result of NM’s struggling economy and proposed changes to the state’s Medicaid program. Along with federal passage of healthcare reform, these factors are shifting the way the State needs to provide behavioral health services.

The upcoming RFP process offers the Collaborative, its stakeholders, and the people it serves another chance to reconsider the most efficient, effective methods of administering and delivering quality behavioral health services. As the Collaborative looks again at the SE’s role, it will continue to incorporate strong consumer and family presence and to seek continued guidance from providers on implementation strategies.

RESTATEMENT OF PURPOSE

The Collaborative sees this RFP process as a chance to reconsider how the SE fits into the vision of the Collaborative:

“A single behavioral health service delivery system in New Mexico in which available funds are managed effectively and efficiently; the support of recovery and development of resilience are expected; mental health is promoted; the adverse effects of substance abuse and mental illness are prevented or reduced; and behavioral health customers are assisted in participating fully in the life of their communities.”

1 New Mexico Interagency Behavioral Health Purchasing Collaborative, Concept Paper, April 19, 2004 Available at http://www.bhc.state.nm.us/pdf/ConceptPaper0510.pdf
• Braided (or in some cases “blended” or “coordinated”) funding that will be flexible enough to promote a more efficient system of services and supports;
• A shift from multiple, uncoordinated behavioral health services and funding silos to a single, coordinated behavioral health delivery system designed so neither consumers nor providers experience undue disruption;
• Local “systems of care” (now Local Collaboratives) in which providers and practitioners coordinate with one another, with other systems, and with community stakeholders;
• Uniform program standards, including common service definitions, utilization management measurements/criteria, quality requirements, system performance expectations, and consumer/family outcomes; and
• As comprehensive a benefit package as possible (within available funding) to support recovery and resilience, including prevention and early intervention services, an emphasis on evidence-based and best-practice service approaches and thinking, and special consideration of service delivery to underserved areas.2

GUIDING PRINCIPLES MOVING FORWARD

The Collaborative has studied its experience with the two SEs and identified several key guiding principles for the next SE contract:

- The roles and contract conditions of the SE must be clear.
- The State must provide realistic expectations about the tasks and skills the SE can be expected to provide.
- The contract must focus on specific priorities and achievable results.
- The roles and responsibilities of the SE must be streamlined.

In developing the next contract, the Collaborative will use these principles to define the functions of the SE and in establishing deliverables for those functions.

CLARITY IN ROLES AND CONTRACT CONDITIONS

I. Roles and Responsibilities

In reviewing the SE’s contractual obligations, the Collaborative has determined that the division of labor among the Collaborative, the SE and the Provider Network can be clarified further.

The first component of the system is the Collaborative. Through its enabling legislation (HB 271), the Collaborative is charged with

- Setting goals for the behavioral health system;
- Accounting for all behavioral health expenditures;

2 Ibid.
• Creating a single behavioral health care system;
• Paying special attention to regional, cultural, rural, frontier, urban and border issues, and seeking and considering suggestions from Native American communities;
• Contracting with a statewide services purchasing entity (the SE) to ensure availability of services;
• Monitoring service capacities and utilization to achieve desired performance measures and outcomes;
• Making decisions regarding funds, staff, grants, planning and meeting State and federal requirements;
• Overseeing systems of care data management, performance and outcome indicator selection, rate setting, service definition establishment; and
• Monitoring training, ensuring that evidence-based practices receive priority, and providing oversight for fraud, abuse, licensing and certification.

The second component of the system is the SE. The original design of the Collaborative/SE partnership identified the following SE roles and responsibilities:

• Contracting with and paying providers;
• Developing and implementing regional service plans together with the Local Collaboratives in each region;
• Establishing utilization review and management;
• Ensuring care coordination;
• Evaluating and monitoring providers and services;
• Managing quality review and improvement—achieving system performance and consumer outcomes; and
• Collecting, managing and reporting data required by fund source and for quality management purposes.3

The third component is the Provider Network of agencies and individual providers. Although the roles and functions of providers are clearly distinct from the SE’s, the current contract does not always distinguish the two and often assigns the SE functions that can only be carried out at the provider and/or practitioner level.

In the next contract, the Collaborative intends to clearly define roles for the SE and providers and to begin to articulate the expectations for Core Service Agencies (CSA). Providing a comprehensive array of behavioral health services and supports, CSAs are able to improve outcomes for individuals requiring more intensive services, who will still be able to choose providers of services. CSAs will also work with primary care providers to integrate physical and behavioral health services for these individuals.

3 Op cit, Concept Paper, 2004
II. Contract Conditions

The Collaborative recognizes that the current SE contract contains a Scope of Work that is far greater than the list of roles and responsibilities noted previously and that often assigns to the SE activities that can really only be carried out by the Collaborative, either alone or with its stakeholders. The Collaborative sets the vision and policy direction for the system, while the SE functions as the Collaborative’s operating agent. The next contract will be much more specific in assigning responsibilities across the Collaborative and the SE. In short: the Collaborative has a wide variety of tools for reaching its goals, and the SE is one of them.

After identifying roles and responsibilities, the Collaborative will set measureable expectations for the next SE contract. Contract language will focus less on undefined goals and more on concrete deliverables, which will drive the SE’s expected activities.

REALISTIC EXPECTATIONS

Bidders for the SE contract will most likely be managed behavioral healthcare organizations. These organizations provide benefit management, network development, claims payment, quality improvement and performance reporting. The Collaborative intends for its next RFP to play to these strengths by assigning to the SE tasks that are suited to those strengths. Similarly, the Collaborative recognizes that other responsibilities may be more difficult for the SE to assume. The Collaborative will also support State staff to effectively monitor the SE’s performance.

FOCUS

The next SE contract will focus on only the most critical tasks and deliverables. Possible targets include the following:

- Consumers get services that are timely, appropriate, and accessible.
- Providers get paid in a timely manner.
- Funds are accurately managed.
- Data gets reported.
- Core Service Agencies are successfully implemented.

As the SE demonstrates strong performance in these initial areas, the Collaborative will consider expanding the SE’s responsibilities into other areas, such as braided benefits management, system re-balancing, and incentive-based financing.

At the same time, the Collaborative will focus on the RFP process and contract oversight. Through its RFP requirements, contract conditions, selection process, readiness review and

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4 A managed behavioral health organization is an organization that provides behavioral health services by implementing managed care techniques.
contract management system, the Collaborative will enhance its ability to effectively oversee the SE’s performance and to respond proactively to operational challenges.

STREAMLINING

To make the behavioral health service system more efficient, the Collaborative will look at the tasks and responsibilities included in the SE’s contract and eliminate duplication elsewhere in the system. For example, in defining the SE’s role in Care Coordination, the Collaborative will consider how the SE’s coordination unit relates to CCSS, the role of the CSAs, and other coordination requirements. In doing this, the Collaborative can see where duplication exists and redistribute roles with an eye toward simplification and efficiency. Other areas for streamlining will be identified as the Collaborative drafts the SE contract.

MONITORING

Recently, the Collaborative has refocused monitoring the SE performance on the core functions of managed care—network management, claims payment and service quality. This focus will guide the RFP and contract planning process. Having a high-performing SE is important to the success of the Collaborative’s system development goals, and outcomes-based, targeted monitoring is one way to ensure that performance.

NEXT STEPS

Having laid out in this paper the principles and potential priorities for developing the next SE contract, the Collaborative will next hold regional public comment meetings with stakeholders on the future direction for Collaborative efforts and the role the SE plays in those efforts. The Collaborative continues to work on improving the quality of its system development, to incorporate lessons learned into those improvements, and to actively involve stakeholders in determining the improvements that can be made.