New Mexico Behavioral Health Purchasing Collaborative
Executive Summary

In September 2003, Governor Bill Richardson directed all agencies tasked with the delivery, funding or oversight of behavioral health care services; including, mental health and substance abuse services and treatment, in New Mexico, to work collaboratively to create a single behavioral health service delivery system throughout the State. The combination of tight government budgets and the growing demand for coordinated services for consumers and families encouraged New Mexico to seek a better behavioral health care delivery system, and one which would foster increased responsiveness to the needs of New Mexico behavioral health consumers and their families.

House Bill 271 was introduced and passed the State Legislature in 2004 and signed into law by Governor Richardson. The law took effect May 2004, and created an Interagency Behavioral Health Purchasing Collaborative (hereafter called “the Collaborative”), consisting of the secretaries or directors of the following state departments and agencies:

Aging and Long-Term Services Department (ALTSD)
Administrative Office of the Courts (AOC)
Children, Youth and Families Department (CYFD)
Corrections Department (NMCD)
Department of Finance and Administration (DFA)
Department of Health (DOH)
Department of Labor (DOL)
Department of Transportation (DOT)
Developmental Disabilities Planning Council (DDPC)
Division of Vocational Rehabilitation (DVR)
Governor’s Commission on Disability (GCD)
Governor’s Health Policy Coordinator (GHPC)
Health Policy Commission (HPC)
Human Services Department (HSD)
Indian Affairs Department (IAD)
Mortgage Finance Authority (MFA)
Public Education Department (PED)
State Public Defender’s Office

The Secretaries of the Department of Health and the Human Services Department co-chair the Collaborative until June 30, 2005. The Secretary of the Children, Youth and Families Department will co-chair the Collaborative with the Secretary of the Human Services Department beginning July 1, 2005.

The transition to a new, collaborative behavioral health services model that incorporates a spectrum of services, populations and funding streams began with the identification and recognition of the differences, similarities and overlap within the current behavioral
health care systems in the State. An initial challenge to meeting that goal was to identify and understand the complexities in the current delivery of publicly funded behavioral health care and services.

The Collaborative is charged with:

- Inventorying all expenditures for mental health and substance abuse services;
- Creating a single behavioral health care and services delivery system that promotes mental health, emphasizes prevention, early intervention, resiliency, recovery and rehabilitation and funds are managed efficiently, and ensures availability of services throughout the State;
- Paying special attention to regional, cultural, rural, frontier, urban and border issues, and seeking and considering suggestions of Native Americans.
- Contracting with a single, Statewide services purchasing entity (SE);
- Monitoring service capacities and utilization in order to achieve desired performance measures and outcomes;
- Making decisions regarding funds, interdepartmental staff, grant writing and grants management;
- Comprehensive planning and meeting State and federal requirements;
- Overseeing systems of care, data management, performance and outcome indicators, rate setting, services definitions, considering consumer, family and citizen input, monitoring training, assuring that evidence-based practices receive priority, and providing oversight for fraud and abuse and licensing and certification.

Through a Memorandum of Understanding (MOU), each State agency is responsible for reporting, accounting and oversight of its funds, staff and services. The Collaborative makes decisions about how funds, staff and service capacities are deployed to achieve commonly desired performance and outcomes. The Collaborative will operate by consensus, meet at least four times per year, make workgroup and subcommittee assignments, manage work processes, produce work products, and make policy and financial decisions that are directed toward achieving the purpose, responsibilities and vision of the law.

An initial plan will be completed and included with the Request for Proposals (RFP), scheduled for release by fall 2004. The Collaborative aims to have a single behavioral health service delivery system in place, through a partnership with a procured SE, by July 1, 2005.
The SE will be responsible for contracting with behavioral health providers or groups of providers; regional compliance; training; establishing local systems of care; providing financial management and oversight; client outcomes; assuring consumer, family and citizen input; determining client eligibility; enrollment of recipients; service development, coding and configuration; legal issues; single client identifier for data; rate setting; utilization management (UM); trending UM data; utilization criteria; predictive modeling and disease management guidelines; prior authorization for “high end” services; and quality management.

The RFP and the contract will define specific deliverables, including service and administrative requirements. The contract will include system performance and consumer outcomes that must be met and a range of consequences if they are not. These will form the basis of contract oversight of the SE by the Collaborative.

The SE will be expected to maintain contract or methods for paying all providers who meet requirements and who receive State funds as of June 30, 2005. After that, the SE will be free to develop contracts with providers or groups of providers as needed to accomplish the goals of the Collaborative. Decisions about providers that receive contracts will be based on creating the best services and access to services possible within available resources. The Collaborative will establish, and interagency staff will oversee, the work of the SE.

The RFP is scheduled for release by fall 2004, and vendor selection will occur before the end of winter 2005. Contracting and transition plans will be completed by spring 2005. Federal approvals will be sought during the summer and fall of 2004.

The SE will be selected through a competitive procurement process during the fall of 2004 and winter of 2005. Phase One will begin July 1, 2005, and will cover the period from July 1, 2005 through June 30, 2006. During Phase One, the Collaborative will work with the SE to assure services continue to be delivered and providers are paid for the services they deliver. In future phases, the Collaborative will work with the SE regarding data requirements and evolution of these data requirements, identifying effective ways of combining funding sources and funding mechanisms, performance objectives and deliverables, and accomplishing the goals, visions and objectives of the newly designed behavioral health care and services system.

The Collaborative will make decisions, manage projects, relate to the SE, and to each other, interact with the State Behavioral Health Planning Council (BHPC) and other stakeholders, oversee the SE’s performance, and provide consistent leadership and technical assistance. It will function with equal concern and responsibility for all aspects of the behavioral health delivery system and for all populations, services and funding streams, regardless of State agency. This process will evolve over time as the Collaborative works together and learns the best ways to put resources together to create an improved behavioral health delivery system for New Mexico.