

Congress of the United States
Washington, DC 20510

August 14, 2013

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius,

As you are aware, the State of New Mexico is in the process of investigating allegations of fraud against 15 behavioral health providers that offer Medicaid services and has suspended payments to those organizations. We want to thank you for your ongoing involvement to protect the integrity of the process and the needs of beneficiaries. As your staff has indicated, this is a unique situation involving almost the entire behavioral health system in the state (87% of services are rendered by the providers from whom payments have been suspended pending outcome of the investigation) and will require a unique solution. As you may know, the state has entered into a contract with outside companies from Arizona to assume operations and services. Numerous constituents have reported to us that this process has disrupted the system of care across communities for this vulnerable population. Such an infrastructure takes decades to build in our largely rural, underserved state and necessarily includes many sole providers vital to the fabric of community infrastructure. We appreciate and support the need to stamp out fraud and abuse where it occurs. We also believe that such a sweeping change warrants immediate and comprehensive oversight by the Centers for Medicare and Medicaid Services (CMS) to ensure that the integrity of this process is maintained.

We understand that CMS has been in daily communication with the State since at least June to ensure that appropriate transition plans are in place. We appreciate this ongoing assistance and request that you broaden the scope of your efforts. While the State has publicly affirmed on a number of occasions that there have been no gaps in service due to this issue, we are alarmed by the increasing reports to the contrary from advocates, providers, consumers, and families regarding significant disruption to access to quality care. We have heard from constituents and their caregivers, all of whom are anxious, fearful and confused about what to expect. They have had appointments delayed and cancelled, and changes in providers with whom they had relationships of trust. We have also heard from multiple sources that a significant number of clinical staff have left the programs and, in some cases, have left the state entirely. While these occurrences are expected in a time of transition, the extent of the change warrants careful oversight.

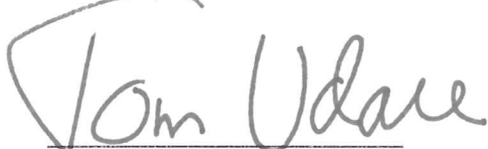
Your staff at CMS has told us they would like to hear directly from New Mexico stakeholders and beneficiaries about their experiences and that they plan to start reaching out to groups by phone. We will gladly continue to provide your department with the names of stakeholders who can provide detailed input. However, we also request that department officials from Washington

visit New Mexico to conduct a public forum and hear firsthand from local stakeholders. We further request that such a visit take place within the next two weeks given the time-sensitivity of the concerns including reports of disruption to services needed for school-age children prior to the start of the school year in mid-August. We understand that you are monitoring a number of systemic impacts of this transition, including changes in call center volume, emergency room visits, referral trends and clinical staff turnover, but hearing directly from our constituents will offer additional data and stories of personal experiences with service disruptions.

As New Mexico's behavioral health system undergoes this transition and Medicaid expands its eligibility this fall, we would appreciate being informed of your department's plans to assure continuity of care. We appreciated the confirmation from CMS that the State is not in jeopardy of losing its Medicaid funding during this process. We also understand that CMS explicitly communicated to the State that it has discretion and flexibility in granting good cause exemptions from suspending Medicaid payments in cases of credible allegations of fraud. We know that you have received several letters from members of the New Mexico State Legislature expressing similar concerns and we urge you to respond to them as soon as possible so that they may weigh their options for intervention, should they feel it necessary and appropriate.

Thank you for your prompt attention to this matter.

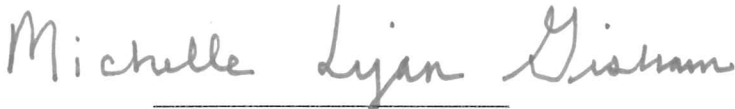
Sincerely,



U.S. Senator Tom Udall



U.S. Senator Martin Heinrich



U.S. Congresswoman Michele Lujan Grisham



U.S. Congressman Ben Ray Lujan