

New Mexico Interagency Behavioral Health Purchasing Collaborative

Collaboration for Recovery, Resiliency and Empowerment



Aging and Long-Term Services Department

Administrative Office of the Courts

Children, Youth and Families Department

New Mexico Corrections Department

Department of Finance and Administration

Department of Health

Department of Workforce Solutions

Department of Transportation

Developmental Disabilities Planning Council

Division of Vocational Rehabilitation

Governor's Commission on Disability

Governor's Health Policy Advisor

Health Policy Commission

Human Services Department

Indian Affairs Department

Mortgage Finance Authority

Public Education Department

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Behavioral Health Collaborative Imposes Sanctions on OptumHealth New Mexico for Provider Payment Problems

State Monitor Ordered to Ensure Contract Compliance

Santa Fe, New Mexico – The New Mexico Behavioral Health Purchasing Collaborative has notified OptumHealth New Mexico that it is imposing sanctions against the company for contract violations, stemming from a lack of a fully functioning claims management system. The sanctions imposed include a Directed Corrective Action Plan, Civil Monetary Penalty as well as a penalty for Actual Damages, and the Appointment of a State Monitor.

Governor Bill Richardson directed the Executive Committee of the Collaborative to take whatever measures necessary to determine whether OptumHealth should be sanctioned and/or replaced as the statewide entity.

“I have received numerous complaints from providers who are providing critical behavioral health services for New Mexicans, but are not being paid for those services from OptumHealth,” said Governor Richardson. “Four months is more than enough time for OptumHealth to get their act together and pay providers for the work they are doing.”

OptumHealth became the behavioral health services contractor for the state, also known as the statewide entity, on July 1, 2009.

Clear terms of the contract with OptumHealth are requirements to maintain a working electronic claims management system and to promptly pay claims in accordance with state law. The sanction letter to OptumHealth states that thousands of provider claims, amounting to millions of dollars, have gone unpaid. Because of the malfunctioning system, OptumHealth has excessively denied, pended, lost and/or rejected provider claims. The letter goes on to say that many providers have simply not been paid for services performed, placing them under financial strain and, in some cases, a financial crisis.

The sanctions imposed are:

1. **Directed Corrective Action Plan** – OptumHealth is directed to remediate its non-compliance by taking action in the areas of Claims, Service Registration, Authorizations, Funds Mapping, Provider File Audit and Financial Reporting.
2. **Civil Monetary Penalty** – OptumHealth is assessed a civil monetary penalty for the imposition of excessive and pervasive administrative burdens on providers in their network.
3. **Actual Damages** – OptumHealth is assessed all reasonable costs incurred by the Collaborative for the actions taken to remedy OptumHealth's non-compliance, including costs for independent contractors.
4. **Appointment of a State Monitor** – The Collaborative will appoint a State Monitor to supervise the Contract until the Collaborative is satisfied that OptumHealth has a fully functioning provider payment system and is making every effort to reduce administrative burdens on providers.

The Collaborative has worked with OptumHealth to create a plan designed to resolve the provider payment deficiencies. However, OptumHealth has not yet implemented changes to their systems necessary for timely payments to providers, which is why the Collaborative finds it necessary to impose the sanctions listed above.

The Directed Corrective Action Plan details a plan of action with deadlines OptumHealth must meet. The Collaborative is hopeful the sanctions will result in contract compliance and providers will begin to see prompt payments for behavioral health services provided. However, if the sanctions do not result in significant changes and contract compliance the Collaborative will have no choice but to look at other options.

About the Collaborative

The Collaborative was created during the 2004 Legislature to allow most state agencies and resources involved in behavioral health treatment and recovery to work as one in an effort to improve mental health and substance abuse services in New Mexico. This cabinet-level group represents 15 agencies and Governor Bill Richardson's office.

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