

New Mexico's \$1 Billion Behavioral Health Delivery System Contract Up For Grabs

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Governor Bill Richardson announced on Monday, January 18, 2010 his recommendation for the New Mexico state agency, the **Behavioral Health Collaborative** to reissue a Request for Proposal (RFP) for the takeover of the \$1 billion Behavioral Health Delivery System contract. The **project**, geared towards the administration and delivery of mental health and substance abuse services, had originally been taken over by Optum Health in July 2009 after the four-year contract with Value Options came to an end in 2008.

The **concern** was triggered by Optum Health's performance not living up to standards and expectations set by state officials. Issues revolved primarily around the lag time between payments to providers, such as nonprofits and others working with mentally ill or those with substance, even after their services had already been delivered. The root of the problem stemmed from Optum Health's electronic claims management system solution. The system, which went live on July 1, 2009, was unable to keep up with real-time usage, and the influx of claims that were far greater than what the system had been originally been tested with. With that being said, despite New Mexico's current financial situation, the Governor stated that the Behavioral Health Delivery System is in pressing need of being evaluated and fixed. He stated that, "The focus should be on the most efficient and effective manner of administering and delivering these services, while maintaining the highest level of quality."

The Behavioral Health Collaborative, which represents 15 state agencies, including the Governor's office, was created under New Mexico's 2004 legislative session which allowed several state agencies and resource in behavioral health prevention, treatment and recovery to work as one for the improvement of mental health and substance abuse services. Betina McGonzales McCracken, spokeswoman for the Collaborative stated that it could be another year until the new system is in place, in which **Optum Health** will continue to be the main service administrator in the meantime. Contractors interested in the takeover of New Mexico's new Health Delivery system must guarantee the rudiments of efficiency and effectiveness in their current system solutions. Attention placed on real-time capabilities in addition to the ability process a high volume of claims all at once, is vital and an inevitable requirement of the next contractor providing the services for the Collaborative. The RFP for the new Behavioral Health Delivery System is expected to be released by spring 2010. GovWin is tracking the initiative [here](#).