
News Release

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MOLINA HEALTHCARE SEEKS INJUNCTION AGAINST THE NEW MEXICO HUMAN SERVICES DEPARTMENT RELATED TO CENTENNIAL CARE

ALBUQUERQUE (January 31, 2018) - Molina Healthcare of New Mexico, Inc. announced today that it had filed a Complaint for Declaratory and Injunctive Relief and will file an Application for a Temporary Restraining Order in the First Judicial District Court of New Mexico against the New Mexico Human Services Department (HSD), and its Secretary, Brent Earnest.

The filing details the threats to 224,000 New Mexico residents dependent upon Medicaid, violations of the recent Centennial Care Medicaid procurement, and conflicts of interest regarding the contractor hired by the HSD to oversee the procurement.

Flawed RFP Process

The HSD procurement process excluded important stakeholders that serve the same vulnerable populations, such as the New Mexico Department of Health, the New Mexico Children, Youth and Families Department, and the Office of Superintendent of Insurance.

Beginning with its decision to issue an RFP rather than renew the contracts of the current plans, HSD accelerated the procurement process without reason. HSD also advanced the contract award announcement from March to January, contrary to the RFP timeline. This change, to speed up the procurement, is detrimental to Medicaid members.

Additionally, HSD exhibited a pattern of changing the evaluation factors and/or added new ones that resulted in an unfair scoring process. This resulted in Molina's technical score being reduced based on undisclosed factors.

“The fact that the State rushed the RFP timeline, did not schedule oral presentations, and made the decision in a vacuum, reflects another potential injustice on New Mexico’s most vulnerable residents,” said Daniel Sorrells, President of Molina Healthcare of New Mexico. “In addition, the move jeopardizes our work creating successful behavioral health programs, such as our partnership with the Bernalillo County Metro Detention Center and our future goal to scale it to 27 other county jail programs throughout New Mexico.”

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Conflict of Interest

HSD hired an outside firm, Mercer, as a consultant on the RFP. Mercer’s work included drafting and reviewing the proposal as well as training or “coaching” HSD on how to evaluate the bids. However, Mercer’s relationship with an affiliate of a successful bidder presents a conflict of interest that undermines the integrity of the procurement.

Mercer has a substantial multi-billion dollar contractual relationship with Envolve. (<https://aishealth.com/archive/ndbn110416-02>). Envolve is a specialty health services company that is a subsidiary of Centene Corporation – the parent of Western Sky, one of the apparent Medicaid RFP winners.

The bid by Centene/Western Sky reveals that Envolve will be heavily utilized by Western Sky in its proposed New Mexico fulfillment. Mercer has a vested interest in the success of Envolve, and apparently will benefit from any revenue and profit Envolve obtains from Western Sky’s operations in New Mexico. Yet Mercer was also centrally involved in developing, managing, and evaluating the RFP.

“With relationships such as these, there is no level playing field,” said Sorrells. “Biases, favors or other types of relationships should never be a consideration. Keeping our members’ best interest in mind should be everyone’s top priority.”

Molina is Good for New Mexico

Since 2004, Molina Healthcare, has provided services to New Mexico’s most vulnerable citizens.

Molina is the State’s largest Medicaid health plan and serves nearly 224,000 New Mexicans through Medicaid, 5,500 New Mexicans through Medicare, and an additional 29,000 New Mexicans through the Health Insurance Marketplace, or about 58% of all New Mexico Marketplace members. Molina has a large call center and data center in downtown Albuquerque, which supports not only its New Mexico health plan, but also its corporate operations across the country.

Molina has over 1,000 employees in New Mexico, and a medical provider network of 14,000 providers, the largest among New Mexico Medicaid plans.

If Molina Healthcare of New Mexico were to exit the state, 26 percent of New Mexicans receiving Medicaid will be forced to transition as a result of this decision. This will be especially difficult for vulnerable members receiving treatment that includes behavioral

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health and substance abuse services. The health care infrastructure – detention center pilots, investment in community based care, behavioral health, physical health, psychiatry services, peer support services and telehealth benefits – that Molina develops and provides to these members will be lost, and about 25,000 New Mexicans currently receiving behavioral health services through these investments will likely face long wait times to receive needed treatment. Many of these members had to change providers previously in 2013, when HSD suspended Medicaid payment to approximately 15 behavioral health centers, forcing many members to go without behavioral health services; they may suffer the same outcome again as a result of HSD’s decision.

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About Molina Healthcare, Inc.

Molina Healthcare, Inc. provides managed health care services under the Medicaid and Medicare programs and through the state insurance marketplaces. Through our health plans operating in 12 states across the nation and in the Commonwealth of Puerto Rico, Molina serves approximately 4.5 million members as of September 30, 2017. For more information about Molina Healthcare, please visit our website at molinahealthcare.com.