Early Lessons from the Work Support Strategies Initiative: New Mexico

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The effects of an outdated computerized benefits system, worsened by budget cuts and hiring freezes, were handicapping New Mexico’s ability to provide needed work supports to low-income families. These barriers, coupled with recession-induced caseload increases and the future demands of health care reform, led the state to seek more efficient and effective ways of doing business.

In 2011, New Mexico received a Work Support Strategies (WSS) grant to help streamline its system for connecting low-income families to work support benefits. Supported by private philanthropy, this multiyear initiative gave grants to select states to test and implement more effective and integrated approaches to delivering key work supports, including health coverage, nutrition benefits, and child care subsidies. Streamlining and modernizing these processes can help improve the health and well-being of low-income families, save states money, and improve overall efficiency.

Prior to WSS, New Mexico had already been working to streamline key work support benefits. Most notably, the state’s Human Services Department (HSD) redesigned its business process model, changing the way its field offices operated. Like many states, New Mexico initially used a case management model, where an individual caseworker would handle a client’s case from start to finish. This one-on-one approach takes considerable time and money—and New Mexico had limited resources. Families were not being served quickly or effectively, and the state was not keeping up with rising demand. In 2008, the department switched to a “process-based” model, where the entire

**Work Support Strategies**

Work Support Strategies (WSS) is a multiyear initiative to simplify the process of getting work support benefits. Working directly with selected states, WSS seeks to

- improve the health and well-being of low-income families by increasing enrollment in work support programs;
- deliver benefits more effectively and efficiently, reducing administrative burdens on states as well as clients; and
- evaluate the impact of these streamlined approaches, disseminate lessons learned, and inform state and federal policies.

WSS focuses on three work support programs: the Supplemental Nutrition Assistance Program (SNAP), Medicaid and the Children’s Health Insurance Program (CHIP), and child care subsidies through the Child Care and Development Block Grant. Participating states may choose to add other programs, and most have done so.

In fall 2010, WSS invited states to apply for one-year planning grants, with the opportunity to continue to a three-year implementation phase. Twenty-seven states submitted applications, and nine were competitively selected: Colorado, Idaho, Illinois, Kentucky, New Mexico, North Carolina, Oregon, Rhode Island, and South Carolina. During the planning phase, the selected states received $250,000, expert technical assistance, and peer support from other states. With these resources, the grantees performed intensive diagnostic self-assessments, explored business process strategies, established leadership structures, and developed data-driven action plans that address policy and practice changes.

This report is one of 10 (one on each state, plus a cross-cutting report) describing state activities during the planning year.
process from client application to determination of eligibility was reviewed to find places to reduce duplication and gain efficiency. One result was to break down casework into key tasks, with workers focused on one step in the enrollment process—for example, checking income eligibility or interviewing clients—rather than walking one client through all the steps. The department also instituted a same-day interview policy and looked for ways to cut back on office visits, making it faster and easier for families to enroll in benefits. This new model also made it easier for staff to work across programs—offering clients a full package of supports—rather than requiring applicants to apply for each work support benefit separately with a different worker. The new process reduced clients’ need to provide duplicate information and verification documents and to return to the office multiple times.  

The redesign was groundbreaking, in part because the department was able to move forward despite lacking funds for IT upgrades. After the change, about 80 percent of applicants were getting benefits within 24 hours of applying, even though they were still using paper forms and an older computer system. Department officials credited the new task-based model for significantly improving office-level performance by reducing worker distraction and cutting down on delays caused by multitasking.

In addition, New Mexico had made other changes to streamline benefit receipt. For example, in 2007, the department aligned recertification dates across SNAP, Medicaid, and TANF, allowing recipients of multiple programs to recertify their eligibility all at once. About five years before WSS, the state began using self-service kiosks for Medicaid enrollment. Applicants could sign up for the program on their own, in field offices, or via a web-based encrypted server. In early 2011, the department got permission from the federal Food and Nutrition Service to completely waive recertification interviews for elderly or disabled SNAP recipients.

With WSS, New Mexico hoped to continue and improve on its efforts to simplify the process for getting and especially keeping work support benefits.

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1 This description and the next paragraph draw from Rosenbaum and Dean (2011).
New Mexico’s Goals for the Planning Year

The New Mexico team’s goals for the planning year were increasing client access and retention to public benefit programs by expanding customer options and reducing administrative burdens. The state later decided not to apply for the next implementation phase of WSS in order to focus on implementing a new automated eligibility system, but New Mexico’s experience during the planning year offers important lessons on collaboration and business practices.

State Background

New Mexico has the highest percentage of residents with incomes below the poverty line (22 percent) of any state.\(^2\) It is also the only state where Hispanic residents outnumber white, non-Hispanic residents (46.7 to 40.2 percent).

In January 2011, New Mexico transitioned to a divided government with a Democratic legislature and newly elected Republican Governor Susana Martinez replacing outgoing Democratic Governor Bill Richardson. Martinez appointed Sidonie Squiers as HSD cabinet secretary, replacing Kathryn Falls. HSD houses all the work support programs included in the state’s WSS initiative, except child care assistance. The WSS application originally submitted by Secretary Falls was endorsed by Secretary Squiers and Governor Martinez.

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The WSS team in New Mexico in Phase 1 was led by Ted Roth, acting director of the Income Support Division (ISD). Joining him were the policy and program development chief within the division (who also served as the WSS project manager), ISD Medical Outreach Division marketing and outreach manager, and Santa Fe’s ISD county director. An outside project consultant was brought in to help evaluate the business processes in the department’s field offices.

This report is organized into two key areas that were critical aspects of New Mexico’s planning year: sharing and building on past success and responding to changing priorities.

**Sharing and Building on Past Success**

“The most positive part of [the WSS project] for me was the linkages with other states to identify what are their best practices, and...really having that connection to have somebody to call.”

—New Mexico WSS leadership team member
“What was encouraging about the New Mexico visit was seeing the process working, and it took the fear factor away. When you talk about changing the process for an entire department, it’s hard to move forward with all your skeptics doubting your moves. Watching what New Mexico has done is helpful.”

—WSS team member from another state, who participated in a site visit hosted by New Mexico

New Mexico got a comparatively late start to its planning-year activities, in part because of the state’s intense focus on first procuring and later developing a new automated eligibility system. However, it made a very important contribution to the other WSS states early in the project, hosting a site visit that gave participants a firsthand look at New Mexico’s process-based model in its field offices. Other states reported that both the technical information and the sense of possibility they gained by seeing a system so dramatically changed were extremely important to their later work on WSS.

Additionally, New Mexico sent three staffers to a similar site visit hosted by Idaho. These visits and the regular monthly call between WSS technical assistance staff and the state’s WSS project manager helped build relationships with other states. With those connections, states could share best practices and open up communication for outside perspectives, a core member of the New Mexico team said. For example, in a conference call with South Carolina’s human services officials, a regional office director from New Mexico shared that office’s business-process model plan. South Carolina subsequently created a business model based on New Mexico’s example. “The contacts you make and the ideas you get, those are the invaluable parts of [WSS],” the regional director said. “We can tell them: These are things that work and these are the ones that will not.”

Early in the planning year, New Mexico implemented Express-lane Medicaid eligibility, an effort that was consistent with WSS’s goals but not directly part of the initiative itself. This new system would allow families to automatically recertify their Medicaid eligibility when they successfully recertified with SNAP. New Mexico’s core WSS team reported that more than 10,000 Medicaid cases were renewed with SNAP data alone. “There was a significant amount of client relief because they weren’t having to renew cases,” a New Mexico team member said. “Administratively, we reduced postage and printing costs along with programming time… so that was a big success.”
The state’s formal WSS activities also provided opportunities for learning early on. New Mexico began with a data-driven self-assessment on client churn, conducted as part of a set of questions posed by the central WSS project team at the beginning of the planning year to help states diagnose their data capacity. New Mexico’s project team was unable to extract roughly half the data requested by the state’s technical assistance lead. As a core WSS team member reflected: “To me, that’s humbling, and a reason why business intelligence was a big key to what we see as our needs.” The inability to pull the data they needed was viewed by state officials as direct supporting evidence for an eligibility system overhaul, which they expected would increase the state’s data and the capacity to generate reports.

This early challenge with data focused New Mexico’s WSS activities on evaluating the state’s client-tracking system and business processes. In September 2011, New Mexico asked the Southern Institute on Children and Families to help track the effects of the new process-based management model. “We wanted to see what had transpired after implementation, what kinds of bottlenecks were created,” one WSS team member said. The field offices chosen for study were two of the first six that had piloted the new task-based model. One office had also shown a recent trend of increased errors. The Southern Institute consultant identified problem areas and parts of the business process related to application processing on which to follow-up for review in other regional offices, a senior New Mexico WSS team member said. In response, New Mexico examined data on timeliness in local offices and found that requirements imposed at the central-office level were causing some choke points.

New Mexico intended to hire an outside evaluator for the WSS initiative but was held up until the third quarter of the planning year. A consultant was brought on board in December 2011, just as the state was deciding that its intensive work to implement a new eligibility system required it not continue on to the WSS implementation phase. The consultant was able, however, to analyze the application processes in field offices first through a mix of data analysis and field office interviews of staff and clients. She found that prior to implementation at an office, staffers were anxious about the new model; before it was implemented, they were reluctant to adopt it. In using a task-based model, staff in the pilot field offices that had already shifted to the new process management model received more training than in the past; according to field office staff, this training helped ease the transition to the new process. Despite beginning as a pilot in
six offices some five years earlier, the last two of the state’s field offices were converted to the new model several months after the consultant’s site visits. The consultant’s findings about WSS—that staff training and buy-in were necessary for systems change—are still relevant to the state’s new challenge of adopting an updated eligibility system.

**Shifting Priorities as Technological Changes Take Precedence**

“We started working full-speed ahead on ASPEN in September [2011], and it quickly became clear to us that the halls were empty over here [at the Income Support Division].”

—Senior HSD administrator

“[As the ASPEN technology project intensified,] the focus became...what do we have to do to maintain things?...We had to refocus and reprioritize.”

—Senior WSS team member

As New Mexico moved into its planning year, its original goals were eventually subsumed under a single objective: to advance the design and implementation of the department’s new eligibility system, the Automated System Program and Eligibility Network (ASPEN). As part of this adjusted focus, New Mexico significantly scaled back its planned WSS activities and formally withdrew from WSS in February 2012. According to state staff, the decision to pull back reflected a shift in the near-term agenda, driven by practical challenges (such as budget cutbacks, the demands of health reform, and the ASPEN implementation) that made it impossible to continue on all tracks at once. The decision, they said, was not evidence of a fundamental weakening of support for the initiative’s basic objectives.

In December 2010, as the state’s WSS application was being considered, New Mexico began looking for a vendor to develop ASPEN, which would replace its outdated system known as ISD2. Introduced in 1986, ISD2 is a paper-based, manual work process system that manages benefits for clients enrolled in SNAP, energy assistance, Medicaid, and cash assistance. With this outdated system, staffers were limited in their ability to integrate programs and services.

Staff shortages and a tight budget limited how much HSD could take on. The department’s ISD was responsible for first assisting with design requirements and later application design for ASPEN, customizing the off-the-shelf product purchased from its vendor Deloitte. Essentially,
New Technology for New Mexico: ASPEN

With health reform creating new demands on benefit systems—while offering federal funds to upgrade those systems—New Mexico felt it was time to replace its outdated technology. The state’s old eligibility system was a paper-based, manual work processing system. New Mexico expected that its new technology platform, ASPEN, would markedly change the way clients apply for services and how applications are processed and handled.

Senior HSD officials view ASPEN as a tool for achieving multiple near-term objectives: benefits integration across programs for verification and eligibility determination, decreased errors when issuing benefits, simplified case processing, improved case and client tracking, and electronic document management. ASPEN also provides a technology platform that allows for future improvements. Additionally, the project will be completed in tandem with a new web-based portal where residents may apply online, access services, and perform other case management activities. Unlike New Mexico’s previous system (ISD2), ASPEN conforms to the standards and conditions set by the U.S. Centers for Medicare and Medicaid Services for enhanced federal funding. ASPEN’s integration of multiple work support programs will help maintain strong ties between health and human services programs.

ASPEN will include the same programs as the old system: Medicaid; eight different cash assistance programs, including TANF; two food assistance programs, including SNAP; and energy assistance. HSD selected Deloitte to develop the system using the mainframe platform originally developed for Michigan. Total implementation costs are estimated at $105 million, with some 80 percent of funding coming from federal sources connected to Medicaid expansion, Food and Nutrition Service, and TANF, and the state contributing the balance.

Deloitte began developing ASPEN’s system requirements in September 2011; actual design work began early in 2012. ASPEN is scheduled to be tested in a pilot office in summer 2013. Core members of the New Mexico WSS team said ASPEN puts the state on the path to having an eligibility system fully compatible with health reform legislation, as ASPEN can potentially house the state’s health insurance exchange as well as its eligibility system.

the new system’s development was an information technology project that siphoned ISD staff for application design and related tasks. However, a state hiring freeze had left ISD with its lowest staffing levels since 2004, despite an 87 percent increase in caseloads over the same period. “We were stretched to the gills even without this competing IT project,” a senior ISD manager said.

New Mexico viewed ASPEN as the key to achieving its major goals—from complying with health reform implementation to integrating eligibility determination across programs. Getting ASPEN up and running became the department’s highest priority, according to a senior ISD official. However, the department was already feeling the strain of a limited budget and, as it would soon learn, the resources needed to develop ASPEN would require significant staff time across multiple layers of ISD.

In April 2011, division management began identifying staff who would work on the new ASPEN system design, along with staff who would be transitioned over to the project later. At first, just two ISD managers were tapped for the project, but later, the division pulled personnel
from the policy bureau overseeing the WSS grant as well as an employee from the IT helpdesk. When the system requirements started coming in, ISD leadership again sought to augment the ASPEN work group by rotating the entire policy bureau staff through the project. “It left two or three staffers in the office to maintain day-to-day functions, but we really wanted everyone…to build the system,” a core member of the New Mexico team said. “We didn’t want to be further down the line and identify something that wasn’t in the requirements.” By spring 2012, HSD had assigned 28 staff to work on ASPEN full time and another 30 staff for part time.

At the same time, the division had a vacancy rate of about 14 to 20 percent in appropriated positions; several unfunded positions had also gone unfilled. The staff drain spurred by the focus on ASPEN pushed the division to reassess its use of worker’s time spent on WSS. The division had to maintain operations while also implementing ASPEN, leaving no time for WSS, according to one staffer. “When you have 9 to 11 [application design] sessions going on at the same time… you have to have the appropriate staff in those meetings all day long,” a senior HSD administrator said. “[ASPEN] is a fast-paced, prioritized project. The computer system we currently use is over 25 years old with older technology—the technology is from the 1970s.” It became clear, the administrator said, that staff did not have time for projects outside of implementing ASPEN.

The New Mexico leadership believed that using WSS resources to hire more people would not solve their staffing crunch because current staff did not have the time or manpower to train new workers. Leadership considered hiring a WSS-focused project manager but concluded that doing so would still pull necessary personnel away from ASPEN. “Getting someone on board who has the knowledge without having to bring in other resources…is the challenge,” a core member of the New Mexico team said.

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**New Mexico Planning-Year Activities**

Hosted a site visit that gave other WSS grantee states a firsthand look at New Mexico’s process-based management model in its field offices.

Assessed its client-tracking system and business processes at several local offices; as a result, the state established central reports to look at timeliness.

Hired an outside consultant to support the core WSS team; she completed a qualitative study analyzing the application processes at field offices.
WSS team member said. “It just takes time to bring people on board and to get them up to speed. It still draws on the same resources we would have focused on ASPEN.”

By the third quarter, the core WSS team was asking whether the division was taking on too much. The WSS team had gotten off to a late start on the planning year and was expected to draw up an action plan for the implementation phase of WSS soon. In the end, New Mexico decided it could not devote proper resources to WSS—the ASPEN project became the state’s priority—and opted not to apply for the next phase of the WSS project.

**Conclusion**

New Mexico has a history of taking action to streamline and improve its work support benefits system. The redesign of its eligibility process, undertaken before the WSS planning year, served as an example for other WSS states. As the planning year progressed, however, the state’s development of ASPEN, a new automated eligibility system, took priority over WSS activities. Although the state chose not to apply for the next phase of the WSS project, state staff reported that through their work on ASPEN, the department continues to move toward the WSS goals. ASPEN embodies these goals by supporting the further integration of work support programs and by reducing staff and client burden to improve access to benefits.
References


Methodological Note

This report is based on several sources, including evaluation team members’ on-site and telephone interviews with New Mexico WSS team members and others in the state working on WSS and related efforts; WSS materials, including quarterly progress reports and quarterly call notes; and state documents, including the WSS proposal, presentations, WSS data exercise results, evaluation documents, and other materials. During a visit to New Mexico in spring 2012, the evaluation team held five interviews with the WSS management team, a local office representative, and state agency leadership and staff from SNAP, child care, Medicaid, and other economic assistance programs.

The goal of this Phase I evaluation was to draw on these sources to document New Mexico’s activities during the WSS planning year, including the challenges the state encountered and the approaches chosen to overcome those challenges. This goal arose from the particular features of the planning year and the nature of the lessons that could be distilled. During this phase, states were assessing their current strengths and weaknesses and designing and testing potential next steps, culminating in the development of an action plan (with clear goals and measurable targets for reaching them). From an evaluation perspective, therefore, it was too early to assess whether states had met measurable goals, but not too early to document what actually did happen, what bumps occurred along the way, and how states responded. Thus, during the on-site visits, the evaluation team members attempted to gather input from varied perspectives, including local office staff and community stakeholders, but did not attempt to comprehensively gather input from all perspectives in order to evaluate the effectiveness of planning-year activities.

Six states (Colorado, Idaho, Illinois, North Carolina, Rhode Island, and South Carolina) are continuing on to Phase II of the evaluation. This next phase has three major goals: to document, understand, and draw lessons from the implementation of WSS activities in the states; to identify and track over time key outcomes that the state would expect to be affected by its activities and interventions; and to measure the effect WSS or specific activities under WSS had on key outcomes. To meet these goals, the Phase II evaluation will include implementation analyses and data tracking for all six states, and impact analyses to provide quantitative causal results where feasible. Each state’s evaluation will be tailored to its particular activities, goals, priorities, and data availability. The overall evaluation will combine information, analyzing data and results from across all six states.