



Attorney General Of New Mexico

HECTOR H. BALDERAS
Attorney General

ELIZABETH A. GLENN
Chief Deputy Attorney General

February 8, 2016

Via E-mail and Hand-delivery

Honorable Members of the Legislature
New Mexico State Capitol
Santa Fe, NM 87501

Re: Behavioral Health Investigations

Dear Honorable Members of the Legislature:

I am writing to provide you with information regarding progress on the investigations conducted by the Medicaid Fraud Control Unit, pursuant to its authority under 42 CFR §1007.11, of the fifteen behavioral health providers referred to this Office pursuant to an audit conducted by the Public Consulting Group (PCG). Based on the results of the PCG audit, the Human Services Department (HSD) determined that there were credible allegations of fraud and referred the cases to this Office for further investigation.

From the time I took over the Office of the Attorney General, I have made it a priority to complete the remaining twelve behavioral health investigations, and to bring transparency to that process. After releasing the PCG audit with minimal redactions, I requested additional investigative resources and received authorization to use the Office of the Attorney General Consumer fund in the amount of \$1.8 million to contract with an experienced forensic audit firm to assist in the completion of the investigations. An RFP was issued and as a result of that process, auditing firm RSM was selected.

At this time and ahead of schedule, my Office, in collaboration with RSM, has completed ten of the twelve remaining investigations. The following ten provider investigations have been completed: Border Area Mental Health Services, Partners in Wellness, Youth Development, Inc., Southern New Mexico Human Development, Hogares, Families and Youth, Inc., Counseling Associates, Southwest Counseling Center, Presbyterian Medical Services (PMS), and Valencia Counseling Services.

While we did find some regulatory violations, there did not appear to be a pattern of fraud for any of the ten completed investigations. Since we received these referrals from HSD as credible allegations of fraud, we primarily based our investigations on issues raised in the referral. We

came to different conclusions on many of the alleged violations cited in the PCG report, and ultimately did not find that the violations that we were able to substantiate reflected a deliberate or intentional pattern of fraud. These investigations will now be forwarded to HSD for any administrative action they deem appropriate. The ten completed investigations are available on the website of the Office of the Attorney General at <http://www.nmag.gov/>.

There are two remaining investigations: TeamBuilders and Pathways. These two investigations are ongoing and will require that we take additional time in order to ensure that our conclusions are sound.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hector H. Balderas". The signature is stylized and cursive.

Hector H. Balderas
New Mexico Attorney General