

Mental health agencies on brink of closure after state severs funding

ROSWELL >> The executive of a mental health agency in Las Cruces says he will have to close up shop within 10 days unless government funding is restored.

Another from Roswell told state legislators on Tuesday that her agency has no more than two weeks of life unless the state Human Services Department relents and restarts funding to 15 mental health providers that it has accused of mismanagement and fraud.

Marti Everitt, CEO of Counseling Associates Inc. in Roswell, told a legislative subcommittee it has been a stunning and undeserved turn of events for New Mexico's largest mental health agencies.

Just last fall, Everitt said, she was asked by the state Human Services Department to take over management of a Carlsbad agency suspected of overbilling from government health funds.

Everitt, the top executive of Counseling Associates Inc. for 27 years, said her own agency had a sterling record in financial audits until the state implicated it and the other 14 last month after a special investigation by a Boston company.

"The landscape has so changed. We've been branded as criminals and liars," Everitt said.

She said that Sidonie Squier, state cabinet secretary of human services, did not communicate with the agencies before stopping their funding by using "an erroneous, dubious, indifferent process."

Squier said more than \$36 million in overbillings for health coverage had been detected. That left her no choice but to cut off funding and seek an investigation by state Attorney General Gary King, she said.

Everitt, appearing before the Legislature's Behavioral Health Subcommittee, said she was authorized to speak on behalf of all 15 agencies. She said they were slurred by Squier without even knowing the specific charges against them.

Squier has said that suspicion of fraud made silence mandatory, so as not to compromise King's investigation.

Squier elected not to attend Tuesday's hearing. Her spokesman, Matt Kennicott, said in an email that Squier had been mistreated by legislators and nothing would be gained by another meeting.

"In light of the disrespect and abuse on behalf of the committee (last week), we are declining this invitation," Kennicott said. "I think the questions from members have been covered ad nauseam."

He added that notice of the hearing in Roswell was short and the distance from Santa Fe was long, some 200 miles.

State Sen. Mary Kay Papen, D-Las Cruces, said she was frustrated by the stand-off and worried because of the damage it could cause.

"Who really gets punished here? The fragile population," Papen said of people being treated for addiction or mental health disorders.

Eight of the agencies have filed a lawsuit in U.S. District Court, seeking an injunction that would force Squier to restore funding.

Everitt's agency is one of them. She said she has 204 employees and 4,000 patients, all of whom stand to lose unless Squier allows the agencies to receive Medicaid and state funding again, even as they are investigated.

Statewide, some 2,000 employees and perhaps 10 times as many patients could lose jobs or treatment if the agencies are shuttered, Papen said.

Roque Garcia, CEO of Southwest Counseling Center in Las Cruces, said his agency was on the brink of closure.

"We've been here 50 years. We'll be out of business within a week and a half -- totally closed," Garcia said in a telephone interview.

His agency has 2,000 active clients and sees about 3,000 in a calendar year, he said.

Garcia said Squier's department had moved recklessly after a special investigation by Boston-based Public Consulting Group Inc.

"It was the sloppiest audit I've ever seen," Garcia said.

He said the company's auditors gathered records haphazardly, leaving behind what they could not carry with ease.

"They were so incompetent," he said.

Garcia said his mental health agency had complained repeatedly about the work habits of the state's day-to-day overseer of government billings, OptumHealth. OptumHealth routinely erred in assigning Medicaid payments, even after the Las Cruces agency flagged its mistakes, Garcia said.

These errors caused by OptumHealth then became ammunition against the agency when the special audit by the other company began in February, he said.

Papen and Rep. Stephen Easley, D-Santa Fe, said it was strange that \$36 million in overbillings were alleged all at once, though they supposedly occurred from 2009 through 2012.

"All of this was done on the basis of questionable allegations," Easley said.

Kennicott sent a statement defending OptumHealth's day-to-day work.

"As you know, these are complicated issues and take some time to sort out. Optum has been referring potential cases (to the Human Services Department) since the start of their contract in 2009 under the previous administration. Just because it is referred to HSD does not mean it is fraud. Some of these cases can be handled in an administrative manner with remedial actions and often are.

"We found credible allegations of fraud existed with these 15 providers, so we took immediate action as soon as the issue was presented to us."

Al Lama, chief deputy attorney general, told legislators the threshold for "credible allegations" was low. He said the attorney general had added four investigators to work on the 15 cases, but it probably would take at least two months to get a sense if there was wrongdoing by some or all.

Easley said Squier's agency had "dug itself into a hole" and would not relent on funding. He said the agencies' best hope of getting money in the short term was by winning the injunction against Squier in court.

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