

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

March 2, 2017

Our Reference: SPA NM 16-0002

Ms. Nancy Smith-Leslie, Director
Medical Assistance Division
New Mexico Department of Human Services
P.O. Box 2348
Santa Fe, New Mexico 87504

Dear Ms. Smith-Leslie,

We have reviewed the State's proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 16-0002, dated March 8, 2016. This state plan amendment establishes an alternate payment methodology for federally qualified health centers (FQHC) that train primary care resident physicians.

Based on the information submitted, we have approved the amendment for incorporation into the official New Mexico state Plan with an effective date of January 1, 2016, as requested. A copy of the CMS-179 and the approved plan pages are included with this letter.

If you have any questions please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by E-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, slightly slanted style.

Bill Brooks
Associate Regional Administrator

cc: Jennifer Mondragon

The reports could be used to assist in the evaluation of a change in scope of service, to assist in setting the initial PPS rate for anew FQHC and RHC, and for other purposes.

j. Alternate Payment Methodology for Primary Care Residencies:

Beginning January 1, 2016, FQHCs that train primary care resident physicians at the FQHC are eligible for an alternate payment methodology that will enhance the PPS rate.

A primary care resident physician is an individual with a New Mexico post graduate training license who is enrolled in a New Mexico primary care residency program.

The alternate payments are limited to the six FQHCs with the highest percentages of Medicaid recipients, based on data from the health center Uniform Data System (UDS) for the previous calendar year. The Department will post this information on its website on an annual basis.

- i. In order to be eligible for the alternate payment, the FQHC must complete an agreement with the state agency under which the FQHC will report, on a quarterly basis, the hours worked by primary care resident physicians and the percentage of patients treated at the FQHC who are Medicaid eligible at the time of service. The agreement will include a statement that both the FQHC and the Department agree to all provisions for the alternate payment and require an attestation from the FQHC that enhanced funding paid under this provision will not supplant or duplicate residency funding paid by the Medicare program. Prior to the Department's approval of the agreement, the FQHC must provide their agreement with the sponsoring hospital.

State: New Mexico
Date Received: 03-08-2016
Date Approved: 03-02-2017
Date Effective 01-01-2016
Transmittal Number: NM 16-0002

For each FQHC:

Medicaid FTE = Total FTEs x ratio of Medicaid patients to all patients

- ii. The alternate payment is made through a settlement process based on the number of hours worked by primary care resident physicians, which is multiplied by the resident physician's hourly rate, and which is multiplied by the ratio of the Medicaid encounters to all encounters for the time period.
- iii. The payment to an FQHC for primary care resident physicians will not exceed an FQHC's Medicaid share for training primary care resident physicians, as calculated in subparagraph (i), above; divided by the total of all participating FQHCs' Medicaid share for training primary care resident physicians, which results in a percentage.
- iv. Alternate payments made in accordance with this methodology will be distributed on a quarterly basis.