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Letter of Direction #28-3

Date: 02/28/2024
To: Centennial Care 2.0 Managed Care Organizations
From: Kari Armijo, Interim Director Medical Assistance Division *ka*
Subject: Medicaid Provider Payment Rates Repeal & Replace LOD #28-2
Title: Payment Rate Increases Effective January 1, 2024

This Letter of Direction (LOD) is intended to repeal and replace LOD #28-2 issued by the Human Services Department Medical Assistance Division (HSD/MAD) on June 2, 2022. The following updates are included in this revised LOD:

- Addition of New Mexico Behavioral Health Institute (NMBHI) Inpatient Psych, Provider Type 205 and Turquoise Lodge, Provider Type 205, to the two (2%) percent increase in payment rates to Governmental and Investor Owned Hospital effective January 1, 2024. This 2% rate increase is in addition to the SFY 24 HB2 increases effective July 1, 2023.
- Removal of UNM Sandoval Regional Medical Center as it is no longer included in the Community Hospital-High Share of Native American directed payment and the Increase in Payment Rates to Governmental and Investor-Owned Hospitals effective January 1, 2024.
- Updated rates are posted on fee schedules for Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC) and Photoscreening and Vision Screening Rate
- The MCO's are directed to review LOD 75-1, issued November 1, 2022, for updated Minimum Wage Adjustment for Personal Care Services (PCS)

On November 27, 2019, HSD announced its intention to raise certain Medicaid provider payment rates effective January 1, 2020, in the third set of rate increases scheduled to occur in state fiscal year 2020 (FY20). HSD believes that these rate adjustments will continue to build and protect the Centennial Care health care delivery network. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

1. Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC)

Updated rates will be on the posted fee schedules: <https://www.hsd.state.nm.us/providers/fee-for-service/>

2. Increase in Payment Rates to Governmental and Investor-Owned Hospitals- Updated

The MCOs are directed to raise reimbursement rates paid under the Centennial Care program to New Mexico’s governmental and investor-owned hospitals to ensure that payments are sufficiently adequate to help cover certain business and operating expenses. The rate increase to these governmental and investor-owned hospitals is two (2) percent. The MCOs are directed to apply the increase to both inpatient and outpatient hospital services at facilities eligible for this rate adjustment (governmental and investor-owned facilities with provider types 201, 202, 203, 204 or 205). Laboratory and radiology services billed by these provider types are to be included in the increase.

This rate increase is a managed care directed payment; therefore, there will not be a corresponding increase applied through Medicaid fee-for-service (FFS) or based on FFS payment methodologies. However, the MCOs should refer to LOD #20 for guidance on applying rate increases to hospital inpatient and outpatient services. The hospitals that are eligible for this rate increase are as follows:

Governmental and Investor-Owned Hospitals	
Hospital Name	Cost Report Type of Control
ADV CARE HOSP OF SOUTHERN NEW MEXICO	4 - Proprietary, Corporation
ALBUQUERQUE - AMG SPECIALTY HOSPITAL	4 - Proprietary, Corporation
ALTA VISTA REGIONAL HOSPITAL	4 - Proprietary, Corporation
CARLSBAD MEDICAL CENTER	4 - Proprietary, Corporation
CENTRAL DESERT BEHAVIORAL HC	6 - Proprietary, Other
CIBOLA GENERAL HOSPITAL	9 - Governmental, County
EASTERN NEW MEXICO MEDICAL CENTER	4 - Proprietary, Corporation
GILA REGIONAL MEDICAL CENTER	9 - Governmental, County
GUADALUPE COUNTY HOSPITAL	13 - Governmental, Other
HAVEN BEHAVIORAL SEN CARE OF ALBUQUERQUE	4 - Proprietary, Corporation
ENCOMPASS REHABILITATION HOSPITAL (FORMERLY HEALTHSOUTH)	5 - Proprietary, Partnership
KINDRED HOSPITAL ALBUQUERQUE	4 - Proprietary, Corporation
COVENANT HEALTH HOBBS (FORMERLY LEA REGIONAL HOSPITAL)	4 - Proprietary, Corporation
LOS ALAMOS MEDICAL CENTER	4 - Proprietary, Corporation
LOVELACE MEDICAL CENTER- DOWNTOWN	4 - Proprietary, Corporation
LOVELACE REGIONAL HOSPITAL-ROSWELL	4 - Proprietary, Corporation
LOVELACE REHABILITATION HOSPITAL	4 - Proprietary, Corporation
LOVELACE WESTSIDE HOSPITAL	4 - Proprietary, Corporation
LOVELACE WOMEN'S HOSPITAL	4 - Proprietary, Corporation
MEMORIAL MEDICAL CENTER	4 - Proprietary, Corporation
MESILLA VALLEY HOSPITAL	4 - Proprietary, Corporation

MIMBRES MEMORIAL HOSPITAL	4 - Proprietary, Corporation
MINER OF COLFAX MEDICAL CENTER	10 - Governmental, State
MOUNTAIN VIEW REG MED CTR	4 - Proprietary, Corporation
NEW MEXICO BEHAVIORAL HEALTH INSTITUTE	10 - Governmental, State
NEW MEXICO REHABILITATION CENTER	10 - Governmental, State
NOR-LEA HOSPITAL	11 - Governmental, Hospital District
REHABILITATION HOSPITAL OF SOUTHERN	4 - Proprietary, Corporation
ROOSEVELT GENERAL HOSPITAL	11 - Governmental, Hospital District
SIERRA VISTA HOSPITAL	13 - Governmental, Other
THE PEAK HOSPITAL	4 - Proprietary, Corporation
TURQUOISE LODGE	10 - Governmental, State
UNION COUNTY GEN. HOSPITAL	9 - Governmental, County
THREE CROSSES REGIONAL MEDICAL CENTER	4 - Proprietary, Corporation

3. Increase in Payment Rates to Hospitals Serving a High Share of Native American Members

The MCOs were directed to raise reimbursement rates paid under the Centennial Care program to New Mexico hospitals that serve the highest ratio of Native American Medicaid members. This increase was done to assure improved access to care for Native Americans who are enrolled in the Medicaid program, and to recognize the hospitals that serve the largest share of these members in New Mexico. Effective January 1, 2022, the MCOs were directed to apply the increase to each class of Hospitals Serving a High Share of Native American Members as follows:

Provider Class	Hospitals	Uniform Percent Increase
High Total Medicaid and High Native American Utilization	<ul style="list-style-type: none"> • REHOBOTH MCKINLEY CHRISTIAN HOSPITAL • CIBOLA GENERAL HOSPITAL • SAN JUAN REGIONAL MEDICAL CENTER 	33%
High Native American Utilization	<ul style="list-style-type: none"> • SAN JUAN REGIONAL REHAB HOSPITAL • LINCOLN COUNTY MEDICAL CENTER 	13%

The MCOs were directed to apply the respective increase to both inpatient and outpatient hospital services at facilities eligible for this rate adjustment (high-proportion Native American facilities with provider types 201, 202, 203, 204 or 205). Laboratory and radiology services billed by these provider types are to be included in the increase.

There are some hospital facilities that qualify for rate increases under both Section #2 (Governmental and Investor-Owned Hospitals) and Section #3 (Hospitals Serving a High Share of Native American Members) of this LOD. The MCOs are expected to apply both rate increases accordingly for these facilities. This rate increase is a managed care directed payment; therefore, there will not be a corresponding increase applied through Medicaid FFS or based on FFS payment methodologies. However, the MCOs should refer to LOD #20 for guidance on applying rate increases to hospital inpatient and outpatient services.

4. Minimum Wage Adjustment for Personal Care Services (PCS)

The MCO's are directed to review LOD 75-1, issued November 1, 2022, for updated Minimum Wage Adjustments.

5. Transportation for Justice-Involved Members -No Updates

The MCOs are directed to add a new component to the Non-Emergency Medical Transportation (NEMT) benefit for justice-involved Centennial Care members who are transitioning out of prison or jail. NEMT to the pharmacy will be allowed within the first seven days after release from prison or jail when the Medicaid-enrolled member has a current and valid prescription that has not been filled. The member may be transported directly to the pharmacy to obtain prescription medicines, and then transported to a domicile or residence within the same city limits as their originating pick-up point. To assure reimbursement, transportation must be provided by the MCO's approved vendor or transportation provider.

5. Photoscreening and Vision Screening Rate

Updated rates will be on the posted fee schedules: <https://www.hsd.state.nm.us/providers/fee-for-service/>

6. Rate Increase Implementation Timeframes and Reporting

The MCOs are directed to implement all changes associated with these updated instructions, including system changes, provider contract negotiations, and any necessary claims reprocessing no later than 60 days from the date of issuance of this directive.

HSD directs the MCOs to provide weekly updates to the Department, via email communication, on the status of implementation of these updated rate increases for NMBHI, Turquoise Lodge, and UNM Sandoval Regional Medical Center.

This LOD will sunset upon completion of the Centennial Care Program on June 30, 2024.