


Letter of Direction #46

Date: August 28, 2020

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: 2020 Medical Residency Pilot Program

Title: 2020 Medical Residency Pilot Program

The purpose of this Letter of Direction (LOD) is to direct MCO implementation of the 2020 Medical Residency Pilot Program in accordance with section 4.10.2.14 of the MCO contract. Through these expenditures, the MCOs will support the Human Services Department (HSD) approved primary health and psychiatric physician Medical Residency Pilot Programs.

The HSD has approved funding to the following three primary health and psychiatric physician Medical Residency Pilot Programs. The funding recipients are:

Recipients	Funding Granted
Burrell College of Osteopathic Medicine (Las Cruces)	\$236,640
Memorial Medical Center (Las Cruces)	\$373,230
Rehoboth McKinley Christian Health Care Services	\$390,165
Total	\$1,000,035

The base capitation rates effective July 1, 2020 will be revised to incorporate this payment. HSD will provide directions to each MCO on the amount to be paid to each funding recipient and expects each MCO to make payments no later than 30 calendar days from the date of issuance of this directive.

Medical Residency Pilot Program Operational and Reporting Requirements

The reporting requirements for the Medical Residency Pilot Program are set forth below:

- The expenditures for this program are administrative expenditures that are excluded from the numerator and included in the denominator of the MCO’s MLR calculation and included in the underwriting gain calculation outlined in the CC 2.0 Contract Amendment #2 (Section 7.2).

- Each MCO is directed to report the revenue received for the Medical Residency Pilot Program in the quarterly and annual Financial Reporting package with “Capitation”.
- Each MCO is directed to report the amount paid by the MCO to the funding recipients for the Medical Residency Pilot Program in the quarterly and annual Financial Reporting package with “Direct Administrative Expenses”. The reported amounts in this line for the Medical Residency Pilot Program **must** be accompanied by a detailed listing by program total and description in the MCO notes.