

**STATE COVERAGE INSURANCE (SCI)  
REIMBURSEMENT  
Tribal Consultation Version 10.15.2013**

**TITLE 8 SOCIAL SERVICES  
CHAPTER 306 STATE COVERAGE INSURANCE (SCI)  
PART 11 REIMBURSEMENT**

**8.306.11.1 ISSUING AGENCY:** New Mexico Human Services Department  
[8.306.11.1 NMAC - N, 7-1-05]

**8.306.11.2 SCOPE:** This rule applies to the general public.  
[8.306.11.2 NMAC - N, 7-1-05]

**8.306.11.3 STATUTORY AUTHORITY:** New Mexico Statutes Annotated, 1978 (Chapter 27, Articles 1 and 2) authorize the state to administer the medicaid program. The State Coverage Insurance (SCI) program is authorized under a health insurance flexibility and accountability (HIFA) waiver under section 1115 of the Social Security Act for the parent population and a medicaid demonstration waiver under section 1115 for the childless adult population, both subject to special terms and conditions.  
[8.306.11.3 NMAC - N, 7-1-05; A, 6-1-10]

**8.306.11.4 DURATION:** The SCI program is operated subject to continuation of the state's HIFA waiver and the medicaid demonstration waiver, and subject to availability of funds.  
[8.306.11.4 NMAC - N, 7-1-05; A, 6-1-10]

**8.306.11.5 EFFECTIVE DATE:** July 1, 2005, unless a later date is cited at the end of a section.  
[8.306.11.5 NMAC - N, 7-1-05]

**8.306.11.6 OBJECTIVE:** The objective of these regulations is to provide policies for the service portion of the New Mexico SCI program.  
[8.306.11.6 NMAC - N, 7-1-05]

**8.306.11.7 DEFINITIONS:** See 8.306.1.7 NMAC.  
[8.306.11.7 NMAC - N, 7-1-05]

**8.306.11.8 MISSION STATEMENT:** The mission of the medical assistance division is to reduce the impact of poverty on people living in New Mexico and to assure low income and disabled individuals in New Mexico equal participation in the life of their community.  
[8.306.11.8 NMAC - N, 7-1-05; A, 7-1-09]

**8.306.11.9 REIMBURSEMENT:**

A. MCO and HSD shall comply with 8.305.11.9 NMAC, *reimbursement for managed care* for the SCI program with the exception of SCI members who are hospitalized at the time of disenrollment from SCI (see below Subsection B of 8.306.11.9 NMAC). Rates negotiated between HSD and the MCO are considered confidential.

B. **SCI members who disenroll while hospitalized:** If the member is hospitalized at the time of disenrollment from SCI, or upon an approved switch from one SCI contractor to another, the contractor at the time of admission remains responsible for all covered or approved services until the earliest of: the date of discharge, date of switch to another contractor, date of the member's termination/disenrollment or until the maximum benefit limits are reached.

C. **Payment of premiums:** In addition to capitation payments from HSD, the MCO shall receive premium payments as specified by HSD. Premiums will be paid as follows:

(1) **employer premium** amount determined by department; and  
(2) **employee or individual premium** determined by department based on the federal poverty limits as follows: 0-100 percent per month, 101-150 percent per month, 151-200 percent per month,

D. **Premium timeframes:** Initial premiums are due to the MCO immediately upon enrollment and prior to the 1st day of the month before coverage begins. An employer group or individual member can only receive

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coverage when the premium has been paid. Capitation payments will not be paid unless verification of premium payment through the roster is received. If payment is not current within that timeframe, the employer group or individual member will not be covered for the next month and will not be able to enroll in an SCI MCO for a period of 12 months for an employer group or six months for an individual member.

E. **Responsibility for premium payment:** For members in an employer group, the employer shall be responsible for ensuring payment of the employer and employee share (if any) of premiums. For individuals who are not affiliated with an employer group, the individual or an entity paying on behalf of an individual may be responsible for payment of both the employer and individual premium amount (if any). If a member who is part of an employer group has met the cost-sharing maximum, as verified by the MCO, HSD shall be responsible for payment of the member's; but not the employer's share of premiums. For individual members not in an employer group who have met the cost-sharing maximum, HSD shall be responsible for the member's share of the premium. The member will continue to be responsible for the employer's share of the premium, when required.

[8.306.11.9 NMAC - N, 7-1-05; A, 3-1-06; A, 4-16-07; A, 7-1-09; A, 6-1-10]

**HISTORY OF 8.306.11 NMAC:** [RESERVED]