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TITLE 8 SOCIAL SERVICES
CHAPTER 305 MEDICAID MANAGED CARE
PART 14 REPORTING REQUIRMENTS

8.305.14.1 ISSUING AGENCY: Human Services Department
[8.305.14.1 NMAC - N, 7-1-01]

8.305.14.2 SCOPE: This rule applies to the general public.
[8.305.14.2 NMAC - N, 7-1-01]

8.305.14.3 STATUTORY AUTHORITY: The New Mexico medicaid program is administered pursuant to regulations promulgated by the federal department of health and human services under Title XIX of the Social Security Act, as amended and by the state human services department pursuant to state statute. See NMSA 1978 Section 27-2-12 et. seq.
[8.305.14.3 NMAC - N, 7-1-01]

8.305.14.4 DURATION: Permanent
[8.305.14.4 NMAC - N, 7-1-01]

8.305.14.5 EFFECTIVE DATE: July 1, 2001, unless a later date is cited at the end of a section.
[8.305.14.5 NMAC - N, 7-1-01]

8.305.14.6 OBJECTIVE: The objective of these regulations is to provide policies for the service portion of the New Mexico medicaid managed care program.
[8.305.14.6 NMAC - N, 7-1-01]

8.305.14.7 DEFINITIONS: See 8.305.1.7 NMAC.
[8.305.14.7 NMAC - N, 7-1-01]

8.305.14.8 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 communities.
[8.305.14.8 NMAC - N, 7-1-01; A, 7-1-09]

8.305.14.9 REPORTING REQUIREMENTS: The MCO/SE shall provide to HSD managerial, financial, delegation, suspicious activity, utilization and quality reports. The content, format and schedule for submission shall be determined by HSD in writing. HSD may require the MCO/SE to prepare and submit ad hoc reports.
[8.305.14.9 NMAC - Rp 8 NMAC 4.MAD.606.13, 7-1-01; A, 7-1-05; A, 7-1-07]

8.305.14.10 REPORTING STANDARDS:

A. Reports submitted by the MCO/SE to HSD shall meet certain standards.

(1) The MCO/SE shall verify the accuracy of data and other information on reports submitted. The MCO/SE shall send a written data certification for all financial reports. The data shall be certified by the MCO/SE's: 1) chief executive officer; 2) chief financial officer; or 3) an individual who has delegated authority to sign for, and who reports directly to, the MCO/SE's chief executive officer or chief financial officer. The certification shall attest, based on best knowledge, information and beliefs as to the accuracy, completeness and truthfulness of the documents and data. The MCO/SE shall submit the certification concurrently with the certified data and documents.

(2) Reports or other required data shall be received on or before scheduled due dates.

(3) Reports or other required data shall conform to HSD's defined standards as specified in writing.

(4) All required information shall be fully disclosed in a manner that is responsive and with no material omission.

(5) The MCO/SE shall analyze all required reports internally before submitting them to HSD. The MCO/SE shall analyze the report for any early patterns of change, identified trend, or outlier (catastrophic case), and shall submit this analysis with the required report. The MCO/SE shall send a written narrative for specified reports with the report documenting the MCO/SE's interpretation of the early pattern of change, identified trend, or outlier.

B. **Consequences of violation of reporting standards:** The submission of late, inaccurate or otherwise incomplete reports shall be considered failure to report. Sanctions may be imposed by HSD, or its designee on the MCO/SE for failure to submit accurate and timely reports.

C. **Changes in requirements:** HSD's requirements regarding reports, report content and frequency of submission may change during the term of the contract. The MCO/SE shall comply with changes specified by HSD.

[8.305.14.10 NMAC - Rp 8 NMAC 4.MAD.606.13.1, 7-1-01; A, 7-1-04; A, 7-1-05; A, 7-1-07; A, 7-1-09]

8.305.14.11 MANAGERIAL REPORTS: Managerial reports demonstrate compliance with operational requirements of the contract. These reports shall include, but not be limited to, information on such topics as:

- A. MCO/SE: composition of current provider networks and capacity to take new medicaid members;
- B. MCO/SE: changes in the composition and capacity of provider networks;
- C. MCO: PCP-to-member ratios;
- D. MCO/SE: identification of third-party liability;
- E. MCO/SE: grievance system activity;
- F. MCO/SE: fraud and abuse detection activities;
- G. MCO/SE: delegation oversight activities; and
- H. MCO/SE: member satisfaction.

[8.305.14.11 NMAC - Rp 8 NMAC 4.MAD.606.13.2, 7-1-01; A, 7-1-05; A, 7-1-07]

8.305.14.12 FINANCIAL REPORTS: Financial reports demonstrate the MCO/SE's ability to meet its commitments under the terms of the contract. The format, content and frequency for submitting financial reports shall be determined by HSD. The MCO/SE shall meet the following general requirements:

A. The MCO shall submit annual audited financial statements, including, but not limited to, its income statement, a statement of changes in financial condition or cash flow and a balance sheet, and shall include an audited schedule of managed care physical health revenues and expenses. The SE shall submit annual audited financial statements, including, but not limited to, its income statement, a statement of changes in financial condition or cash flow and a balance sheet, and shall include an audited schedule of managed care behavioral health revenues and expenses. The result of the MCO/SE's annual audit and related management letters shall be submitted no later than 150 days following the close of the MCO/SE's fiscal year. The audit shall be performed by an independent certified public accountant. The MCO/SE shall submit for examination any financial reports requested by HSD.

B. The MCO/SE and their subcontractors shall maintain their accounting systems in accordance with statutory accounting principles, generally accepted accounting principles, or other generally accepted system of accounting. The accounting system shall clearly document all financial transactions between the MCO/SE and its subcontractors and the MCO/SE and HSD. These transactions shall include, but not be limited to, claim payments, refunds and adjustment of payments.

C. The MCO/SE and their subcontractors shall make available to HSD, and other authorized state or federal agencies, all financial records required to examine compliance by the MCO/SE, in so far as those records are related to MCO/SE performance under the contract. The MCO/SE and their subcontractors shall provide HSD access to its facilities for the purpose of examining, reviewing and inspecting the MCO/SE's records.

D. The MCO/SE and their subcontractors shall retain all records and reports relating to agreements with HSD for a minimum of 10 years after the date of final payment. In cases involving incomplete audits and unresolved audit findings, administrative sanctions or litigation, the minimum 10 year retention period shall begin on the date such actions are resolved.

E. The MCO/SE is mandated to notify HSD immediately when any change in ownership is anticipated. The MCO/SE shall submit a detailed work plan to the department of insurance during the transition period no later than the date of the sale, that identifies areas of the contract that may be impacted by the change in ownership, including management and staff. The MCO/SE shall submit records involving any business restructuring when changes in ownership interest in the MCO/SE of 5% or more have occurred. These records shall include, but shall not be limited to, an updated list of names and addresses of all persons or entities having ownership interest in the MCO/SE of 5% or more. These records shall be provided no later than 60 days following the change in ownership.

[8.305.14.12 NMAC - Rp 8 NMAC 4.MAD.606.13.3, 7-1-01; A, 7-1-04; A, 7-1-05; A, 7-1-07]

8.305.14.13 UTILIZATION AND QUALITY MANAGEMENT REPORTING: Utilization and quality management reports demonstrate compliance with HSD’s service delivery and quality standards. These reports shall include, but not be limited to:

- A. regular reporting that describes critical incidents as specified by HSD. For this purpose, critical incidents contribute to a trend that impacts negatively on areas such as quality of care, access to care or service delivery as defined by HSD;
- B. regular reporting of encounter data as specified by HSD;
- C. regular reporting of utilization management activity; and
- D. other required reports as determined by HSD, including, but not limited to, performance and tracking measures.

[8.305.14.13 NMAC - Rp 8 NMAC 4.MAD.606.13.4, 7-1-01; A, 7-1-05]

HISTORY OF 8.305.14 NMAC: The material in this part was derived from that previously filed with the Commission of Public Records - State Records Center and Archives:
8 NMAC 4.MAD.606.13, Managed Care Policies, Reporting Requirements, 6-19-97.

History of Repealed Material:

8 NMAC 4.MAD.606.13, Managed Care Policies, Reporting Requirements - Repealed, 7-1-01.