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Kari Armijo, Acting Secretary
Lorelei Kellogg, Acting Medicaid Director

Letter of Direction #106

Date: September 28, 2023
To: Centennial Care 2.0 Managed Care Organizations
From: Lorelei Kellogg, Acting Director, Medical Assistance Division 
Subject: Operational Letter of Direction
Title: Operational Letter of Direction

The New Mexico Human Services Department, Medical Assistance Division (HSD/MAD) is issuing this LOD to Managed Care Organizations to identify additional contractual requirements to the Medicaid Managed Care Services Agreement for the remainder of Centennial Care. These additional requirements are effective as of the date of this LOD.

A new Definition, Health Equity, will be added to Section 2 of the Agreement to read as follows:

Health Equity means a health system where all Members can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, age, gender, gender identity, sexual orientation, social class, other socially determined circumstances, or intersections among these factors.

A new section 4.5.2.1.4.1 will be added to read as follows:

4.5.2.1.4.1 The CONTRACTOR shall implement protocols to increase EPSDT screening rates and referrals for treatment, such as:

4.5.2.1.4.1.1 Notifying Members under twenty-one (21) years of age when periodic assessments or needed services are due and coordinating appointments for services;

4.5.2.1.4.1.2 Tracking Member participation in EPSDT screenings and providing outreach when missed screenings and appointments are identified; and

4.5.2.1.4.1.3 Providing delegated Care Coordination entities, PCMH Providers, and other Providers lists of Members who have missed EPSDT screenings under the EPSDT periodicity requirements;

Section 4.8.7.5.6 of the Agreement will be revised to read as follows:

For specialty outpatient referral and consultation appointments, excluding Behavioral Health, the request-to-appointment time shall be consistent with the clinical urgency, but no more than twenty-four (24) hours for urgent appointments, fourteen (14) Calendar Days for

symptomatic appointments, and forty-five (45) Calendar Days for routine Asymptomatic appointments, unless the Member requests a later time;

A new section 4.8.7.5.6.1 will be added to read as follows:

For maternity care appointments, the request-to-appointment time shall be no more than twenty-four (24) hours for urgent appointments. For routine prenatal care appointments, within fourteen (14) Calendar Days of the request during the first trimester, within seven (7) Calendar Days of the request during the second trimester, and within three (3) Business Days of the request during the third trimester.

A new section 4.8.7.5.13 will be added to read as follows:

For Non-Emergency Medical Transportation (NEMT), Appointment arrival and Pick-Up, The CONTRACTOR and its Major Subcontractors shall ensure the Member arrives on time for the appointment but no sooner than one (1) hour before the appointment and is not dropped off before the facility/office is open, unless requested by the Member. Scheduled pick-up shall occur within fifteen minutes prior to or after the scheduled pick-up time.

In Attachment 6 of the Agreement, the following Providers will be added:

- For A. Behavioral Health add:
 - #23 Certified Community Behavioral Health Clinics (CCBHC)
 - #24 Mobile Crisis Service Providers
- For B. Physical Health add:
 - #22 Home Infusion Providers
- For C. Long-Term add:
 - #5 Home Health Agencies
 - #6 Private Duty Nursing Agencies
- For E. Transportation add:
 - NEMT

Section 4.6.12.2 will be revised to read as follows:

No SDCB provider shall exceed forty (40) hours paid work in a consecutive seven (7) Calendar Day period. Payments to SDCB Providers shall comply with State and federal minimum wage statutes and regulations.

Section 4.8.14.1.8 of the Agreement will be revised to read as follows:

Complete the credentialing process within thirty (30) Calendar Days from the receipt of a completed application with all required primary source documentation, for all Provider types. Notify Providers of credentialing decisions (approved or denied) within ten (10) Calendar Days of the credentialing committee or peer review body decision;

Section 4.8.14.1.13 of the Agreement will be revised to read as follows:

The CONTRACTOR shall enter provider specific contract information into its system(s) such that its Claims system(s) is able to recognize the provider as a Contract Provider with accuracy sufficient to pay claims no later than fifteen (15) Calendar Days after a Provider is credentialed. Credentialed providers shall be entered/loaded into the Contractor's claims payment system with an effective date no later than the date the provider was approved by the credentialing committee/peer review body or the Provider agreement effective date, whichever is later.

Section 4.8.14.1.14 will be deleted.

A new Section 4.11.3.1.1 will be added to read as follows:

The CONTRACTOR must ensure its website is Americans with Disabilities Act Section 508 compliant and meets health equity requirements.

In Section 7.3.3.6.7 Other Monetary Penalties-Program Issues and Associated Penalties will be added to read as follows:

- Failure to comply with Claims processing as described in Section 4.19 of this Agreement.
 - Up to two percent (2%) of the CONTRACTOR's monthly Capitation Payment for each month that HSD determines that the CONTRACTOR is not in compliance with the requirements of Section 4.19 of this Agreement. HSD will determine the specific percentage of the capitation penalty based on the severity or frequency of the infraction.
- Failure to comply with the requirements for arranging for a Member to receive care out-of-state as described in Section 4.4.16.1.8, 4.8.1.5.2.3, and 4.8.1.5.3 of this Agreement.
 - Up to two percent (2%) of the CONTRACTOR's monthly Capitation Payment for each month that HSD determines that the CONTRACTOR is not in compliance with the requirements of Sections 4.4.16.1.8, 4.8.1.5.2.3, and 4.8.1.5.3 of this Agreement. HSD will determine the specific percentage of the capitation penalty based on the severity or frequency of the infraction.
- Failure to make directed payments on a timely basis as described in Attachment 11: Directed Payments of this Agreement.
 - Up to two percent (2%) of the CONTRACTOR's monthly Capitation Payment for each month that HSD determines that the CONTRACTOR is not in compliance with the requirements of Attachment 11: Directed Payments of this Agreement. HSD will determine the specific percentage of the capitation penalty based on the severity or frequency.
- Failure to comply with Encounter Submission as described in Section 4.19 of this Agreement.
 - Up to two percent (2%) of the CONTRACTOR's monthly Capitation Payment for each quarter in which the penalty is assessed. HSD will determine the specific percentage of the capitation penalty based on the severity or frequency of the infraction.
- Failure to assign a Member to the required Care Coordination Level (CCL2 or CCL3) as described in Section 4.4 of this Agreement.
 - One thousand dollars (\$1,000) per Member for which the CONTRACTOR fails to assign the Member to the required CCL.
- Failure to comply with the time frames for a CNA for Care Coordination Level two (2) and Level three (3) as described in Section 4.4 of this Agreement.
 - One thousand dollars (\$1,000) per Member for which the CONTRACTOR fails to comply with the time frames for that Member.
- Failure to comply with Personnel Requirements as described in Sections 3.3 of this Agreement.
 - One thousand dollars (\$1,000) per Calendar Day per position.

- Failure to meet performance standards for the Member services line, Provider services call center line, nurse triage/nurse advice line, and the UM line as described in Sections 4.11 and 4.16 of this Agreement.
 - Up to five percent (5%) of the CONTRACTOR's monthly Capitation Payment for each month in which the penalty is assessed. HSD will determine the specific percentage of the capitation penalty based on the severity or frequency of the infraction.
- Failure to comply with Member transition of care requirements as described in Section 4.4 of this Agreement.
 - Five thousand dollars (\$5,000) per Member in which the CONTRACTOR fails to comply with the transition of care requirements for that Member.
- Failure to meet appointment standards as described in Section 4.8 of this Agreement.
 - Up to two percent (2.0%) of the CONTRACTOR's monthly Capitation Payment for each month in which the penalty is assessed. HSD will determine the specific percentage of the capitation penalty, taking into consideration factors reasonably related to the nature and severity of the infraction.
- Failure to complete or comply with CAPs/DCAPs.
 - Up to two percent (2.0%) of the CONTRACTOR's monthly Capitation Payment per Calendar Day for each day the CAP is not completed or complied with as required.
 - Up to five percent (5.0%) of the CONTRACTOR's monthly Capitation Payment per Calendar Day for each day the DCAP is not completed or complied with as required.
 - HSD will determine the specific percentage of the capitation penalty based on the severity or frequency of the infraction.
- Failure to obtain approval of Member Materials as required by Section 4.14 of this Agreement.
 - Five thousand dollars (\$5,000) per day for each Calendar Day that HSD determines the CONTRACTOR has distributed Member Material that has not been approved by HSD. The five thousand dollars (\$5,000) per day damage amounts will double every ten (10) Calendar Days.
- Failure to comply with the time frame for responding to Grievances and Appeals required in Section 4.16 of this Agreement.
 - One thousand dollars (\$1,000) per occurrence in which the CONTRACTOR fails to comply with the time frames.
- For every report that meets the definition for "Failure to Report" in accordance with Section 4.21 of this Agreement.
 - Five thousand dollars (\$5,000) per report, per occurrence. With the exception of the cure period: One thousand dollars (\$1,000) per report, per Calendar Day. The one thousand dollars (\$1,000) per day damage amounts will double every ten (10) Calendar Days.
- Failure to submit timely Summary of Evidence in accordance with Section 4.16 of this Agreement.
 - Five thousand dollars (\$5,000) per occurrence.
- Failure to have legal counsel appear in accordance with Section 4.16 of this Agreement.
 - Ten thousand dollars (\$10,000) per occurrence.
- Failure to meet targets for the PMs described in Section 4.12.8 of this Agreement.
 - Two (2.0%) percent of the total capitation paid to the CONTRACTOR for the Agreement year, divided by the number of PMs specified in the Agreement year.

- Failure to pay Contract and Non-Contract Providers rates that comply with State Minimum Wage Requirements.
 - Up to five percent (5.0%) of the CONTRACTOR’s monthly Capitation Payment for each month in which the penalty is assessed. HSD will determine the specific percentage of the capitation penalty, taking into consideration factors reasonably related to the nature and severity of the infraction.
- HSD can modify and assess any monetary penalty if the CONTRACTOR engages in a pattern of behavior that constitutes a violation of this Agreement or may potentially involve a risk of harm to Members or to the integrity of Centennial Care. This may include, but is not limited to the following: Reporting metrics not met; failure to complete Care Coordination activities by the time frames specified within this Agreement; failure to report on required data elements in report submissions; for a report that has been rejected by and resubmitted by the CONTRACTOR up to three (3) times and the report still meets the definition of for “Failure to Report” in accordance with Section 4.21 of this Agreement.
 - Up to five percent (5.0%) of the CONTRACTOR’s monthly Capitation Payment for each month in which the penalty is assessed. HSD will determine the specific percentage of the capitation penalty, taking into consideration factors reasonably related to the nature and severity of the infraction.

This LOD will sunset upon inclusion in Contract Amendment #8 of the Medicaid Managed Care Services Agreement.