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Letter of Direction #111

Date: February 26, 2024
To: Centennial Care 2.0 Managed Care Organizations
From: Kari Armijo, Interim Director, Medical Assistance Division
Subject: Billing for Nursing Facility Short-Term Stays
Title: Nursing Facility Short-Term Stays



The purpose of this Letter of Direction (LOD) is to provide the Centennial Care Managed Care Organizations (MCOs) with direction on Nursing Facility (NF) reimbursement for non-skilled, non-hospice short-term stays. Providers will use revenue code 0190 when billing for non-skilled, non-hospice short-term stays in a Nursing Facility (NF) for less than 90 days. These stays do not require a Nursing Facility Level of Care (NF LOC). The MCOs must reimburse the NF at the NF's contracted rate for a Low NF (LNF) stay, and there are no High NF (HNF) determinations or Institutional Settings of Care (SOCs) issued for these types of stays. The non-skilled, non-hospice short-term stay is provided under the member's physical health benefit.

MCOs will update their systems to allow for authorization and claims processing within 60 days of the issuance of this LOD.

For the HealthCare Quality Surcharge (HCQS), if the provider has a Medicaid short-term stay listed as Medicaid in their billing and minimum Data Set (MDS) systems, then providers would be reporting the short-term stay as Medicaid on the account auditors' collection forms for HCQS. If a provider's internal records (billing, MDS) are not correct, then there would be problems with reimbursement through HCQS. Short-term Medicaid stays will be captured via HCQS if the provider's data/billing/MDS reflects Medicaid days, not Medicaid Pending.