




Michelle Lujan Grisham, Governor
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Nicole Comeaux, J.D., M.P.H., Director

Letter of Direction #75-1

Date: November 1, 2022

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: Provider Changes for minimum Wage Adjustments
Repeal and Replace LOD #75

Title: Minimum Wage Adjustments

The purpose of this Letter of Direction (LOD) is to provide guidance to the Centennial Care 2.0 Managed Care Organizations (MCOs) to raise reimbursement rates for all providers in accordance with the Minimum Wage Act, Section 50-4-21 NMSA 1978 (being Laws 1955, Chapter 200, Section 2, as amended), which states state-wide minimum wage increases are required annually on January 1. MCOs must also adjust rates in accordance with any city, county, or other local ordinances. HSD will update the MCOs' capitation rates accordingly.

The MCOs are reminded of the current contract language in sections 1.4 and 7.33 of the Medicaid Managed Care Services Agreement:

1.4 The Parties understand and agree that references to specific statutes, regulations, dates and other matters of a similar nature refer to currently existing and known statutes, regulations and dates. The Parties understand and agree that such existing statutes, rules, regulations and dates may change after execution of this Agreement, and that new enactments, adoptions, amendments, substitutions, replacements, successors or the like shall be given full force and effect and shall govern this Agreement in the spirit in which this Agreement is made.

7.33 Penalties for Violation of Law

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation.

HSD views this rate adjustment as part of the MCOs' normal course of business and therefore the MCOs may implement changes in accordance with their regular provider contracting processes. This includes negotiations with providers that have multi-site and/or multi-branch locations, or whose headquarters are located outside of New Mexico.

The MCOs are directed to work closely with providers to adjust contracts and rates; and to provide any needed technical assistance. This increase must be completed within 60 days from the date of issuance of this LOD and is effective on January 1, 2023. The MCOs must provide a weekly update on progress of this implementation to their HSD/MAD contract manager, including reporting the number of provider contracts (for any applicable provider) that have been renegotiated in accordance with this direction.

The minimum wage rates in the following table are provided for informational purposes only. The MCOs should refer to the New Mexico Workforce Solutions website at <https://www.dws.state.nm.us/Minimum-Wage-Information> for up-to-date information about minimum wage amounts and variances by New Mexico location.

Counties/Cities	2019	2020	2021	2022	2023
Bernalillo County	\$9.05	\$9.20	\$10.50	\$11.50	\$12.00
Albuquerque	\$9.20	\$9.35	\$10.50	\$11.50	\$12.00
Santa Fe County	\$11.80	\$12. 10	\$12.32	\$12. 95	\$12.95
Las Cruces	\$10.10	\$10.25	\$10.50	\$11.50	\$12.00
All Other Areas	\$7.50	\$9.00	\$10.50	\$11.50	\$12.00