




Michelle Lujan Grisham, Governor
Kari Armijo, Acting Secretary
Lorelei Kellogg, Acting Medicaid Director

Letter of Direction #79-1

Date: September 27, 2023

To: Centennial Care 2.0 Managed Care Organizations

From: Lorelei Kellogg, Acting Director, Medical Assistance Division 

Subject: Temporary Economic Recovery Payment Increase for Home and Community Based Services (HCBS)
Repeal and Replace LOD #79

Title: 10% and 5% Temporary Economic Recovery Payments for HCBS Services

The purpose of this Letter of Direction (LOD) is to provide guidance and directives to the Centennial Care 2.0 Managed Care Organizations (MCOs) to implement a temporary economic recovery payment rate increase of ten percent (10%) and 5% reimbursement for specific Home and Community Based Services (HCBS) providers as part of Proposal W.2 from HSD's *Spending Plan for the Implementation of the American Rescue Plan Act of 2021, Section 9817*. These providers were essential to helping so many New Mexicans stay safely in their homes throughout the COVID-19 pandemic. This temporary economic recovery payment is intended to support agencies who have had additional costs resulting from the pandemic and to be passed on to direct care providers.

The 10% rate increase in reimbursement will be applied for dates of service from July 1st, 2022, to June 30th, 2023. The 5% rate increase in reimbursement will be applied for dates of service from July 1, 2023, to June 30, 2024. Capitation rates have been adjusted and were effective July 1, 2022 (10% increase) and July 1, 2023 (5% increase) as demonstrated by July 2023 – December 2023 Rates Summary Exhibits.

Rate Increase Implementation Timeframes and Reporting

The MCOs are directed to issue lump sum payments. The first payment to include dates of service from July 1, 2022, through June 30, 2023, must be paid out to providers no later than 30 days of the date of issuance of this LOD, or 30 days after MCO receipt of the required provider signed attestation letter, whichever is greater. Thereafter, the MCOs should issue quarterly lump sum payments no later than 60 days following the end of each quarter. These quarterly payments will include dates of service from July 1, 2023, through June 30, 2024.

The MCOs are directed to implement changes associated with these instructions, including system changes and provider contract negotiations, as needed, no later than 30 days from the date of issuance of this LOD. HSD directs the MCOs to provide an update on the first

lump sum payment 45 days from the date of issuance of this LOD and an update on subsequent quarterly lump sum payments no later than 75 days after the last day of the quarter of issuance. This update shall consist of a file of all the payments made by provider for the Agency-Based Community Benefit (ABCB), Early and Periodic Screening, Diagnostic Treatment (EPSDT) Benefit Services, and a file of all the payments made through the Self-Directed agent. MCOs should retain all supporting documentation and data for payments made to the providers. MCOs will be required to provide this information upon HSD's request.

Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Benefit Services

MCOs are directed to apply a 15%, 10% and 5% rate economic recovery payment increase to the applicable Private Duty Nursing (PDN) and Personal care Services (PCS) services under the EPSDT benefit as described in NMAC 8.308.9.15 with provider type 324. From July 1st, 2022, to June 30, 2023, rates will match 1915(c) reimbursement for similar services for which the ARPA 10% will be applied. For dates of service July 1, 2023, to June 30, 2024, rates will match 1915(c) reimbursement for similar services and apply an additional 5% per ARPA.

MCOs will at a minimum reimburse the rate below.

Code	Description	15% Increase	10% Increase and 1915(c) match	5% Increase and 1915(c) match
T1000 TD (RN Rendered)	Private duty / independent nursing service(s) - licensed, up to 15 minutes	5/1/2021-6/30/2022 \$12.54	7/1/2022-6/30/2023 \$26.79	7/1/2023-6/30/2024 \$25.58
T1000 TE (LPN Rendered)	Private duty / independent nursing service(s) - licensed, up to 15 minutes	5/1/2021-6/30/2022 \$7.81	7/1/2022-6/30/2023 \$18.24	7/1/2023-6/30/2024 \$17.42
S5125 (PCS Code)	Attendant Care, Per 15 minutes	5/1/2021-6/30/2022 \$3.94	7/1/2022-6/30/2023 \$8.78	7/1/2023-6/30/2024 \$8.39

After June 30, 2024, reimbursement rate will match 1915(c) reimbursement for similar services. MCOs will monitor fee schedules.

Community Benefit Services

Agency-Based Community Benefit (ABCB)

MCOs are directed to apply a 10% and 5% temporary economic recovery payment for the following ABCB procedure codes with provider type 363. Temporary economic recovery payments will not impact the member's Nursing Facility cost of care limit.

Procedure Code	Description
S5100	Adult Day Health
T2031	Assisted Living
T2038	Community Transition Services
S5161	Emergency Response
S5161 U1	Emergency Response High Need

S5165	Environmental Modifications
H2019	Behavior Support Consultation
H2019 TT	Behavior Support Consultation (Clinic Based)
H2024	Employment Supports
S9122	Home Health Aide
S9470	Nutritional Counseling
99509	Personal Care-Consumer Directed
T1019	Personal Care-Consumer Delegated
S5110	Personal Care-Training
G9006	Personal Care-Directed-Administrative Fee
G9012	Personal Care-Directed-Advertisement Reimbursement Fee
T1002	Private Duty Nursing for Adults-RN
T1003	Private Duty Nursing for Adults-LPN
T1002 U1	Respite RN
99509 U1	Respite
G0151	Physical Therapy
G0152	Occupational Therapy
G0153	Speech Language Therapy

Self-Directed Community Benefit (SDCB)

MCOs are directed to apply a 10% and 5% temporary economic recovery payment for the following SDCB procedure codes.

Procedure Code	Description
99509	Self-Directed PCS
T2019	Employment Supports
S5100	Customized Community Supports
G0151	Physical Therapy
G0152	Occupational Therapy
G0153	Speech Language Pathology
H2019	Behavior Support Consultation
T1002	Private Duty Nursing-RN
T1003	Private Duty Nursing-LPN
S9470	Nutritional Counseling
97810	Acupuncture
90901	Biofeedback
98940	Chiropractic
97532 or 97129	Cognitive Rehab Therapy
S8940	Hippotherapy
97124	Massage Therapy
S8990	Naprapathy
S9445	Traditional Healing
T1005	Respite
S5161	Emergency Response (monthly fee)
S5160	Emergency Response (testing and maintenance)
S5165	Environmental Modifications
T2049	Non-Med Transportation (mile)

T2004	Non-Med Transportation (carrier pass)
T1999	Related Goods (for services only as applicable-on a case-by-case basis)
97122	Home Health Aide

The MCOs are directed to work with their Self-Directed Fiscal Management Agency contractor, to determine the appropriate amounts that should be paid as incentive payments to the renderers of the services. These payments will be made outside of the member’s SDCB budget. They will not impact the member’s Nursing Facility cost of care limit.

Provider Attestation

Prior to issuing the 10% payment to Agency-Based Community Benefit providers, Self-Directed Community Benefit Agency providers, EPSDT PCS providers, and EPSDT PDN providers, the MCO will ensure that the provider has signed the attached Attestation Form. The provider is required to sign an additional attestation form prior to receiving the 5% payment. The MCO will maintain the signed attestations in the provider’s file, or direct Conduent to maintain the form as applicable.

Gross Receipts Tax (GRT)

MCOs are reminded that per 2023 Senate Bill 147, ARPA payments issued to providers are exempt from NM GRT.

This LOD will sunset with the completion of this portion of the economic recovery payment increase.

Attachment: LOD #79-1 Attachment 1 - 10% and 5% Temporary Economic Recovery Payments for HCBS Services

**Home and Community Based Services (HCBS) American Rescue Plan Act (ARPA)
Supplemental Payment Provider Attestation Form**

Background:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law, enacting a \$1.9 trillion COVID-19 relief package. The legislation includes a number of provisions that impact state and federal health care policies and programs, including the availability of enhanced federal funding for state Medicaid spending on HCBS. These services help older adults, people with disabilities and people with behavioral health needs live independently in the community by providing a variety of supports.

In particular, Section 9817 of the American Rescue Plan provides states with a one-year, 10 percentage point increase in their federal medical assistance percentage (FMAP)—the share of state Medicaid spending paid for by the federal government—for certain Medicaid HCBS expenditures. This 10-percentage point increase will apply only to HCBS expenditures provided between July 1, 2022 and June 30, 2023.

The State of New Mexico, Human Services Department (HSD), requires all Community Benefit and EPSDT providers to attest that payments received for use of temporary economic relief were used in accordance with New Mexico’s ARPA Spending Plan. Recovery payments can be used for hiring and retention of direct service providers, increased wages, training and support, direct worker bonuses, hazard pay, employment incentives, personal protective equipment (PPE), infrastructure, technology improvements, costs related to the Public Health Emergency (PHE), liability insurance, and/or other activities that enhance current HCBS delivery.

By signing below, the provider attests the additional funds provided were used in the manner as stipulated above.

Provider Identifying Information

Provider Name: _____

Street Address: _____

City/Zip: _____

Email: _____ Phone: (____) _____

Signature of Authorized Provider Representative: _____

Date: _____

*Please submit completed form to: ****INSERT MCO CONTACT INFORMATION*****