


Letter of Direction #55-1

Date: February 26, 2021

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: Medicaid provider Payment Rates – Minimum Wage Repeal and Replace LOD 55

Title: Provider Changes for Minimum Wage Adjustment

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 agency-based community benefit (ABCB) Personal Care Services (PCS) and Respite providers.

This repeal and replace LOD:

- Adds Respite providers to the requirement for the minimum wage increase.

The MCOs are directed to raise reimbursement rates for ABCB PCS and Respite providers to account for statewide and regional changes in minimum wage. The increase shall be applied to the MCOs' current reimbursement rates for consumer-directed PCS code 99509, consumer-delegated PCS code T1019, and Respite code 99509U1. This increase applies to each provider or provider agency's contracted rates with each MCO, and is based on the following projected minimum wage adjustments:

| Counties/Cities | 2018 | 2019 | 2020 | 2021 |
|-------------------|----------|----------|----------|----------|
| Bernalillo County | \$ 8.85 | \$ 9.05 | \$ 9.20 | \$ 10.50 |
| Albuquerque | \$ 8.95 | \$ 9.20 | \$ 9.35 | \$ 10.50 |
| Santa Fe County | \$ 11.40 | \$ 11.80 | \$ 12.06 | \$ 12.38 |
| Las Cruces | \$ 9.20 | \$ 10.10 | \$ 10.25 | \$ 10.50 |
| All Other Areas | \$ 7.50 | \$ 7.50 | \$ 9.00 | \$ 10.50 |

Note that the information in the table above is 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.

This increase is necessary to help mitigate the costs that will be borne by PCS and Respite provider agencies as a result of minimum wage increases that will go into effect on January 1, 2021. HSD adjusted the MCOs' capitation rates based on minimum wage variances by location. 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 PCS and Respite 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 the PCS and Respite provider agencies to adjust contracts and rates; and to provide any needed technical assistance. This includes direction to providers about how to adjust in Authenticare to assure that claims will be submitted using the correct contracted rates and to minimize the administrative burden of reprocessing claims due to lesser-of logic issues. This increase must be completed within 90 days from the date of issuance of this LOD.

HSD also directs the MCOs to work with the New Mexico Association for Home and Hospice Care (NMAHHC) to determine if there are providers that may require additional or expedited assistance in implementing this rate adjustment. HSD appreciates the flexibility of its MCO partners in making sure that the needs and concerns of PCS and Respite providers are prioritized and addressed as effectively as possible.