

March 10, 2016

The New Mexico Human Services Department's (HSD) through the Medical Assistance Division (MAD) is proposing to amend the New Mexico State Plan by submitting an amendment to the Centers for Medicare and Medicaid Services (CMS), to allow an alternate payment methodology in 2016 for FQHCs who are training Primary Care Resident Physicians.

With SPA 16-002, HSD/MAD is proposing to add new language to the section of the Medicaid State Plan related to FQHC reimbursement as follows:

j. Alternate Payment Methodology for Primary Care Residencies:

Beginning January 1, 2016, FQHCs that train primary care resident physicians at the FQHC are eligible for an alternate payment methodology that will supplement the PPS rate.

The total amount of such supplemental payments shall not exceed \$966,184 in 2016, the "Aggregate Maximum." Future aggregate maximums shall be established by future State Plan Amendments.

- i. In order to be eligible for the supplemental payment, the FQHC must complete an agreement with the state agency under which the FQHC will report, on a quarterly basis, the hours worked by primary care resident physicians and the percentage of patients treated at the FQHC who are Medicaid eligible at the time of service.

For each FQHC: $\text{Medicaid FTE} = \text{Total FTEs} \times \text{ratio of Medicaid patients to all patients}$
- ii. The additional payment is made through a settlement process based on the number of hours worked by primary care resident physicians, which is multiplied by the percent of individuals who are Medicaid eligible at the time of treatment at the FQHC.
- iii. For calendar year 2016, the payment to an FQHC for primary care resident physicians will not exceed an FQHC's Medicaid share for training primary care resident physicians as calculated in number (i) above; divided by the total of all participating FQHCs' Medicaid share for training primary care resident physicians which results in a percentage. That percentage will then be multiplied by the Aggregate Maximum to determine the payment to each participating FQHC.
- iv. In the event that the number of FQHCs seeking to qualify for the alternate payment methodology exceeds six FQHCs, the State reserves the right to limit the number of participants to the six FQHCs with the largest number of Medicaid resident-hours.

HSD anticipates requesting an effective date retroactive to January 1, 2016. Interested parties may view the proposed Medicaid State Plan Amendment on the Department's website at: <http://www.hsd.state.nm.us/public-notices-proposed-rule-and-waiver-changes-and-opportunities-to-comment.aspx> and <http://www.hsd.state.nm.us/LookingForInformation/medical-assistance-division-state-plan.aspx>. If you do not have Internet access, a copy of the proposed State Plan Amendment may be requested by contacting MAD at (505) 827-6252.

Interested parties may submit written comments directly to:
Human Services Department
Office of the Secretary
ATT: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to madrules@state.nm.us. All comments must be received no later than April 15, 2016, 5 p.m. Mountain Standard Time. Should any changes to the proposed state plan amendment be made based on comments, those changes will be reflected in an update amendment to the Centers for Medicare and Medicaid Services. A summary of all comments will be available after April 18, 2016. If you are a person with a disability and you require this information in an alternative format, please contact MAD in Santa Fe at 505-827-6252. The Department's TDD system may be accessed toll-free at 1-200-659-8331 or in Santa Fe by calling 827-3184. The Department requests at least 10 working days advance notice to provide requested alternative formats.