

### Special COVID-19 Letter of Direction #21

**Date:** March 16, 2021

**To:** Centennial Care 2.0 Managed Care Organizations

**From:** Nicole Comeaux, Director, Medical Assistance Division 

**Subject:** Provider Rate Increases and Claims Adjustments for E&M and Non- E&M Codes for Dates of Service April 1, 2020- June 30, 2020

**Title:** Provider Rate Increases and Claims Adjustments for dates of service April 1, 2020- June 30, 2020

The purpose of this Letter of Direction (LOD) is to provide guidance to the Centennial Care 2.0 Managed Care Organizations (MCOs) for implementation of provider rate increases related to the national public health emergency associated with the 2019 Novel Coronavirus (COVID-19) outbreak. The purpose of these increases is to assure the providers have the resources needed to address the outbreak and Medicaid members receive continuation of essential services with minimal disruption or delay. The provider rate increases described in this LOD are in recognition of reduced utilization during the public health emergency and are effective for dates of service April 1, 2020 through June 30, 2020. For the timeframe impacted by this LOD, HSD implemented several State plan amendments and there is a general expectation that the MCOs implement provider reimbursement increases commensurate with fee-for-service (FFS). This rate increase is applicable to only In-state providers. At this time, HSD does not expect to make any adjustment to the current MCO CY 2020 capitation rates but HSD is monitoring utilization and rate increase for impact.

#### Rate Increases and Claims Reprocessing for E&M codes and Non- E&M Codes

The Human Services Department (HSD) acknowledges that medical service providers and other providers may be paid using different methodologies than the Medicaid FFS program. The different reimbursement methodologies were taken into consideration in determining these rate increases. HSD is not directing the MCOs to revise their payment methodologies, however, all increases described in this LOD should be implemented at the rates and percentages directed by the Department below. Increases to provider reimbursement undertaken by the MCOs should be implemented in a manner that minimizes provider administrative burden, such as automatic reprocessing of claims, if able, or lump-sum payments. The MCOs will be required to provide TCNs for all payments to the provider if requested.

- Evaluation and Management (E&M) services and Non-E&M services currently reimbursed at a rate less than 98 percent of the 2020 Medicare fee schedule will be increased to a minimum of 98 percent of the 2020 Medicare rate.
- Evaluation and Management (E&M) services and Non-E&M services currently reimbursed at a rate equal to or exceeding 98 percent of the 2020 Medicare fee schedule should not receive an increase.
- Evaluation and Management (E&M) services and Non-E&M services that do not have a Medicare rate should be increased by an amount not to exceed 6.81 percent.
- All Behavioral health services and Dental services should also receive a 6.81 percent rate increase.
- PCS was not subject to a State plan amendment as these services are only covered under the Centennial Care program; however, such services should be subject to an increase in reimbursement for the timeframe specified in this LOD. Agency-Based (ABCB) and Self-Directed Community Benefit (SDCB) Personal Care Services (PCS) providers will receive a 6.81 percent increase. The MCOs will implement the increase to procedure codes T1019 and 99509. The MCOs will direct Conduent to implement the increase for the SDCB.
- Emergency and Non-Emergency Medical Transportation (NEMT) will receive a 6.81 percent increase for all transportations made between April 1, 2020 and June 30, 2020. The 6.81 percent increase should be applied to the total payments made to these providers for dates of service between April 1, 2020 and June 30, 2020. This enhanced reimbursement rate is being implemented to offset increased costs for driver wages, personal protective equipment (PPE) and infection control for COVID related trips.

### **Proposed Medicaid Fee Schedule**

The MCOs should apply a corresponding increase to each provider type. The proposed fee schedule can be found on HSD's website at <https://www.hsd.state.nm.us/providers/fee-schedules/>

### **Rate Increase Implementation Timeframes and Reporting**

The MCOs are encouraged to implement changes associated with these instructions, including system changes, claims reprocessing and issuance of payment, expeditiously and no later than 120 days from the date of issuance of this LOD. The MCOs should provide weekly updates to HSD on the status of implementation and claims reprocessing every Friday by 5:00 PM until further directed by HSD to cease reporting. Reporting requirements will cease after the claims run out period. The increased reimbursement to impacted providers for utilization occurring from April 1, 2020 through June 30, 2020 can be issued through lump sum payments.

Thank you for your service to New Mexicans during this emergency pandemic. This Special COVID-19 Letter of Direction is effective immediately and will sunset when HSD determines all claims reprocessing has been completed.