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Special COVID-19 Letter of Direction #24

Date: August 16, 2022

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: COVID-19 Nursing Facility, FQHC and Non-Emergency Medical Transportation Payment Rates effective January 1, 2022, through June 30, 2022

Title: 2022 COVID-19 Nursing Facility, FQHC and Non-Emergency Medical Transportation Payment Rate Increases

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 temporary rate increases related to the national public health emergency associated with the 2019 Novel Coronavirus (COVID-19) outbreak for Nursing Facilities (NFs), Federally Qualified Health Centers (FQHCs) and Non-Emergency Medical Transportation (NEMT) providers. These rate increases are effective January 1, 2022, through June 30, 2022.

In the 2022 New Mexico Legislative session, the Human Services Department Medical Assistance Division (HSD/MAD) received an appropriation in House Bill 2 for a temporary payment increase for NFs, and FQHCs. HSD received approval from the Centers for Medicare and Medicaid Services for the directed payment in accordance with Section 438.6(c) during calendar year (CY) 2022 for dates of service January 1, 2022, through June 30, 2022.

HSD acknowledges medical service providers and other providers may be paid using different methodologies which differ from 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 HSD/MAD within this LOD. 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 are directed to identify and adopt a single payment approach in which they will reimburse all providers in a uniform manner. The MCOs will be required to provide claim tracking control numbers for all payments to the provider when requested.

Nursing Facility Rate Increase

Nursing Facilities will receive an 8.1 percent increase for all short term skilled and custodial nursing facility services between January 1, 2022, through June 30, 2022. The 8.1 percent increase should be applied to the total payments made to these providers for dates of service between January 1, 2022, through June 30, 2022.

Federally Qualified Health Center Rate Increase

Federally Qualified Health Centers will receive a uniform rate increase of \$15 per encounter for encounters for dates of service between January 1, 2022, through June 30, 2022.

Non-Emergency Medical Transportation Rate Increase

Non-Emergency Medical Transportation providers will receive a 6.81 percent increase for all transports between January 1, 2022, through June 30, 2022. The 6.81 percent increase should be applied to the total payments made to these providers for dates of service between January 1, 2022, through June 30, 2022.

Rate Increase Implementation Timeframes and Reporting

The MCOs are encouraged to move expeditiously to implement changes noted in this LOD, including system changes and provider contract negotiations, no later than 30 days from the date of issuance of this LOD. Any claims submitted after January 1, 2022, with dates of service of January 1, 2022, through June 30, 2022, but not paid based on these new parameters, the MCOs are to readjust payments retroactive to January 1, 2022, no more than 30 days of issuance of this LOD. A second sweep of claims due to any corrected claims filed by the provider 90-days after the initial 30-day window closes, is permissible and an MCO that makes a good faith effort within 30 days followed by a second sweep within 90 days will be in compliance with the LOD. HSD directs the MCOs to provide weekly updates to HSD on the status of implementation and claim reprocessing every Friday by 5 pm until further directed by HSD to cease reporting.

This COVID-19 Letter of Direction will sunset upon completion of claims processing. Reporting requirements will cease after the claims run out period.