



**State of New Mexico
Human Services
Department**

Turquoise Care
Draft Section 1115 Medicaid Demonstration
Waiver Renewal Supplemental Request

to

Centers for Medicare & Medicaid Services (CMS)
US Department of Health and Human Services

Kari Armijo, Acting Cabinet Secretary,
New Mexico Human Services Department

Lorelei Kellogg, Acting Medicaid Director
Medical Assistance Division

Table of Contents

A. Introduction	3
B. Renewal and Supplemental Proposal Goals and Objectives.....	3
D. Eligibility, Enrollment, Benefits, Delivery System, and Cost Sharing for the Turquoise Care Supplemental Proposal for EPSDT LRIs	5
1. Eligibility and Enrollment	5
2. Premiums and Cost Sharing	5
3. Benefits.....	5
4. Delivery System	6
E. Waiver and Expenditure Authorities.....	6
F. Impact on Enrollment and Expenditures.....	7
G. State Quality Monitoring Activities	8
H. Hypotheses and Evaluation Parameters	9
I. State Public Notice and Comment Period	9

New Mexico Human Services Department

Draft Medicaid Turquoise Care 1115 Demonstration Waiver Renewal Supplemental Proposal

A. Introduction

Purpose of this supplemental proposal:

In response to the end of the COVID-19 Public Health Emergency (PHE) and the announcement by Centers for Medicare and Medicaid Services (CMS) of new opportunities to extend certain PHE-related flexibilities¹, the New Mexico Human Services Department (HSD) is proposing to supplement and enhance the Medicaid Turquoise Care 1115 renewal application to make permanent the 1115 demonstration authority **to allow State-authorized legally responsible individuals (LRIs), such as relatives and guardians, to render Personal Care Services (PCS) under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit and ensure no gap in 1115 waiver authority occurs.**

Background:

On December 15, 2022, the New Mexico Human Services Department (HSD) submitted a 5-year Medicaid 1115 demonstration waiver renewal application to CMS for an anticipated effective date of January 1, 2024 through December 31, 2028, seeking federal approval to renew and enhance the current Centennial Care 2.0 waiver (Project Number 11-W-00285/9). The renewal period is referred to by the demonstration's new name: Turquoise Care. New Mexico provided an opportunity for public input on the draft Turquoise Care 1115 application in September and October 2022 and responded to those comments in the final application submitted to CMS. New Mexico's December 2022 Turquoise Care Medicaid 1115 waiver renewal application for Turquoise Care can be found here (for information only):

<https://www.hsd.state.nm.us/wp-content/uploads/New-Mexico-Turquoise-Care-1115-Waiver-Renewal-Application.pdf>. HSD is now supplementing the original Turquoise Care 1115 renewal request to add permanent authority for LRIs providing PCS under EPSDT.

B. Renewal and Supplemental Proposal Goals and Objectives

The Turquoise Care waiver renewal request is constructed around three goals:

- **Goal 1:** Build a New Mexico health care delivery system where every Medicaid member has a dedicated health care team that is accessible for both preventive and emergency care that supports the whole person - their physical, behavioral, and social drivers of health.

¹ New CMS Guidance to Ensure Continuity of Key Flexibilities Implemented During the COVID-19 PHE
<https://www.medicare.gov/sites/default/files/2023-08/smd23004.pdf>

- **Goal 2:** Strengthen the New Mexico health care delivery system through the expansion and implementation of innovative payment reforms and value-based initiatives.
- **Goal 3:** Identify groups that have been historically and intentionally disenfranchised and address health disparities through strategic program changes to enable an equitable chance at living healthy lives.

Turquoise Care will target initiatives focused on the following populations:

1. Prenatal, postpartum, and members parenting children, including children in state custody;
2. Seniors and members with long-term services and supports (LTSS) needs;
3. Members with behavioral health conditions;
4. Native American members; and
5. Justice-involved individuals.

This supplemental proposal to allow families to use LRIs as providers of EPSDT personal care services supports our focus on children and members with LTSS needs, and the goals under Turquoise Care to address health disparities through strategic program changes to enable an equitable chance at living healthy lives.

C. History of New Mexico’s 1115 Demonstration: Centennial Care to Turquoise Care

- The initial Centennial Care 1115 demonstration was approved in 2014 and consolidated multiple separate federal waivers, expanded coverage to adults with incomes up to 138% of the federal poverty level (FPL), and created a comprehensive, integrated managed care delivery system.
- Centennial Care 2.0 was approved as a renewal demonstration in 2019 and operates under this authority today. Centennial Care 2.0 built upon previous successes, addressed the needs of individuals with substance use disorders, and implemented pilot programs for home visiting and pre-tenancy and tenancy supports for individuals living with Severe Mental Illness (SMI). Centennial Care 2.0 also authorized several flexibilities required to serve Medicaid members during the COVID-19 Public Health Emergency.
- In 2022, HSD requested a five-year renewal of the Centennial Care 2.0 1115 waiver, to be known as Turquoise Care upon approval by CMS. This request is pending with CMS and HSD is requesting to supplement the renewal request with this proposal for LRIs to render PCS to EPSDT enrollees. To learn more about New Mexico’s vision for Medicaid under Turquoise Care, a history of the Centennial Care Program, and evidence of how the Centennial Care Program goals have been met, see the Turquoise Care 1115 renewal application to CMS available at <https://www.hsd.state.nm.us/wp-content/uploads/New-Mexico-Turquoise-Care-1115-Waiver-Renewal-Application.pdf>.

D. Eligibility, Enrollment, Benefits, Cost Sharing, and Delivery System for the Turquoise Care Supplemental Proposal for PCS LRIs under EPSDT

1. Eligibility and Enrollment

This supplemental proposal for PCS LRIs under EPSDT has no impact on the Medicaid State Plan eligibility groups, the Centennial Care eligibility groups, or the proposed eligibility under the Turquoise Care renewal. HSD estimates an average of 1,248 members will use LRI for EPSDT PCS each year.

2. Premiums and Cost Sharing

Premiums and cost-sharing will continue to follow the approved Medicaid State Plan. There are no premiums or cost-sharing for EPSDT PCS.

3. Benefits

Enhanced Supports for Members in Need of EPSDT Personal Care

Proposal

HSD is proposing to permanently allow State-authorized legally responsible individuals (LRIs), such as relatives and guardians, to render Personal Care Services (PCS) under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit.

Proposal Objectives

HSD's objectives in expanding the types of individuals eligible to render PCS under the EPSDT benefit include:

- Supporting access to PCS by allowing a wider pool of qualified providers;
- Enabling individuals to receive medically necessary services in the event the traditional provider workforce is diminished or there is inadequate capacity;
- Strengthening the provision of supports in the community using a cost-effective person-centered approach; and
- Ensuring that legally responsible individuals can be justly compensated for their caregiving work.

Background

The COVID-19 pandemic created a notable shortage of health care workers and made it more difficult for individuals under 21 years of age find support in their homes and communities for activities of daily living (ADLs). As a result of the COVID-19 PHE, HSD received a number of CMS approved emergency waivers, permitting the state to temporarily allow payment for services rendered by family caregivers or LRIs under the Fee for Service and Managed Care delivery systems. Emergency Waivers included the following:

- Appendix K: Emergency Preparedness and Response and COVID-19 Addendum for Managed Care Delivery System
 - Approval Timeframe: January 27, 2020 – November 11, 2023

- CMS 1135 Waiver for Fee for Service Delivery System
 - Approval Timeframe: March 1, 2020 – May 11, 2023
- COVID-19 PHE Demonstration Application for Fee for Service and Managed Care Delivery Systems
 - Approval Timeframe: Pending CMS retroactive approval effective May 11, 2023 – November 11, 2023

New Mexico is now submitting a revision to its pending Medicaid Turquoise Care 1115 Waiver renewal application to CMS to include this supplemental proposal for permanent authority of the LRI option.

Proposal Details

HSD is proposing to permanently allow State-Authorized LRIs, such as relatives and guardians, to render PCS under Fee for Service and Managed Care Delivery systems for the EPSDT Benefit. This authority is currently granted under the applicable temporary emergency authorities above. Continuing this authorization is important to continue the State’s support to unpaid caregivers and ensuring that individuals eligible for PCS can get their needs met in the community.

Members accessing services must coordinate with appropriate provider agencies to ensure the LRI’s provision of service is authorized by the Managed Care Organization or Third-Party Assessor (TPA). The LRI must meet all personal care service requirements, personal care service training, and extraordinary care requirements.

4. Delivery System

LRIs will be permitted to serve as providers of EPSDT personal care services in both fee-for-service and managed care delivery systems.

E. Waiver and Expenditure Authorities

Table 1: Supplemental Requested Waiver Authorities

	Waiver Authorities	Use for Waiver Authority	Currently Approved Authority?
1.	Self-Direction of Care Section 1902(a)(32)	To permit persons receiving certain services to self-direct their care for such services. To permit state-authorized relatives, guardians, and or legally responsible individuals to provide EPSDT personal care services.	Current/New

Table 2: Supplemental Requested Expenditure Authorities

Use for Expenditure Authority		Currently Approved Expenditure Authority?
1.	Expenditures to provide self-directed personal care for children under the state plan EPSDT benefit.	New

F. Impact on Enrollment and Expenditures**Table 3: Historical Data for Current Demonstration Period – Comprehensive**

	DY6	DY7	DY8	DY9*	DY10*	Five Year Total
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	
Total Enrollment	851,880	864,076	864,123	878,365	793,365	
Total Expenditure (in billions)	\$5.1	\$5.9	\$6.5	\$6.8	\$7.0	\$31.3

*Based on projections from the current approved waiver and pending amendment request. Differences may exist due to rounding.

Table 4: Projected Data for Demonstration Renewal Period - Comprehensive

	DY11	DY12	DY13	DY14	DY15	Five Year Total
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	
Total Enrollment	827,633	864,314	872,957	881,686	890,503	
Total Continuing Demonstration Expenditures (in billions)	\$7.3	\$7.6	\$7.9	\$8.2	\$8.5	\$39.5
Total New Demonstration Expenditures	\$91,147,000	\$110,979,000	\$132,961,000	\$136,625,000	\$140,487,000	\$612,199,000
Total Expenditure (in billions)	\$7.4	\$7.7	\$8.0	\$8.3	\$8.7	\$40.1

Note: Includes amounts from Table 5. Differences may exist due to rounding.

Table 5: Projected Expenditures and Enrollment for Turquoise Care Renewal Period – Supplemental Proposal

	DY11	DY12	DY13	DY14	DY15	Five Year Total
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	
Projected Enrollment for Supplemental Turquoise Care Proposal: LRIs for EPSDT Personal Care	861	1,057	1,235	1,434	1,654	6,241
Projected Expenditures for Supplemental Turquoise Care Proposal: LRIs for EPSDT Personal Care	\$15,172,128	\$19,557,205	\$23,993,135	\$29,252,223	\$35,427,092	\$123,401,783
Original Turquoise Care Proposals	\$91,147,000	\$110,979,000	\$132,961,000	\$136,625,000	\$140,487,000	\$612,199,000
Total	\$106,319,128	\$130,536,205	\$156,954,135	\$165,877,223	\$175,914,092	\$735,600,783

Note: All amounts in this table are included in the total expenditures in Table 4. Differences may exist due to rounding.

G. State Quality Monitoring Activities

HSD will continue to monitor its 1115 Demonstration and MCOs for quality assurance and improvement to ensure progress towards and actualization of Turquoise Care goals and objectives. This includes, but is not limited to, Implementation of the State’s Quality Strategy, External Quality Review Organization (EQRO) results and recommendations, and the quarterly and annual reports HSD submits in accordance with demonstration special terms and conditions (STCs). A comprehensive description of HSD’s monitoring activities, including evaluation reporting and the Interim Evaluation report, can be found in the Turquoise Care 1115 renewal application to CMS available at <https://www.hsd.state.nm.us/wp-content/uploads/New-Mexico-Turquoise-Care-1115-Waiver-Renewal-Application.pdf>

H. Hypotheses and Evaluation Parameters

Table 6: Demonstration Goals and Evaluation Hypotheses

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
Turquoise Care Goal 1: Build a New Mexico health care delivery system where every Medicaid member has a dedicated health care team that is accessible for both preventive and emergency care that supports the whole person - their physical, behavioral, and social drivers of health.				
1.7	The ability for legally responsible individuals to provide personal care services to individuals receiving EPSDT PCS services will ensure member access to EPSDT PCS services.	Members receiving personal care EPSDT services from legally responsible individuals will have the same or greater utilization of necessary EPSDT PCS services annually throughout the demonstration in comparison to service utilization prior to implementation of this benefit.	Administrative claims data	New

I. State Public Notice and Comment Period

Reserved for description of transparency activities and public feedback.