



HUMAN
SERVICES
DEPARTMENT



LEGISLATIVE FINANCE COMMITTEE

MAY 19, 2022

SECRETARY DAVID R. SCRASE, M.D.

INVESTING FOR TOMORROW, DELIVERING TODAY.

AGENDA & PRESENTERS

- Medicaid & SNAP Enrollment and Changes Resulting from End of Federal Public Health Emergency (30 mins)
- Funding for Hospitals and Health Professionals (10 mins)
- NM Dept. of Health Facilities Update (15 mins)
- Developmental Disabilities Waiver & Home and Community-based Services Update (10 mins)



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BEFORE WE START...

On behalf of all colleagues at the Human Services Department and the Department of Health, we humbly acknowledge we are on the unceded ancestral lands of the original peoples of the Pueblo, Diné, and Apache past, present, and future.

With gratitude we pay our respects to the land, the people and the communities that have contributed to what today is known as the State of New Mexico.



Snow Capped Organ Mountains in Las Cruces
By NMDOH Employee, Kristin Hoogerhuis



MISSION

To transform lives. Working with our partners, we design and deliver innovative, high quality health and human services that improve the security and promote independence for New Mexicans in their communities.

GOALS



We help NEW MEXICANS

1. Improve the value and range of services we provide to ensure that every qualified New Mexican receives timely and accurate benefits.



We communicate EFFECTIVELY

2. Create effective, transparent communication to enhance the public trust.



We make access EASIER

3. Successfully implement technology to give customers and staff the best and most convenient access to services and information.



We support EACH OTHER

4. Promote an environment of mutual respect, trust and open communication to grow and reach our professional goals.

HSD'S SOCIAL IMPACT: NM BENEFITS FROM MODERN AND RESPONSIVE SOCIAL SAFETY NET

HSD's Programs have had the following social impact:

542,305,150 meals provided to New Mexicans through Supplemental Nutrition Assistance Program (SNAP) over the last 12 months



967,888 individuals provided the ability to visit a doctor, afford medication and immunizations through Medicaid in April 2022



48,923 homes heated and cooled for New Mexico families through Low Income Energy Assistance Program (LIHEAP) in Federal Fiscal Year 2022



11,748 families provided shelter and necessities through Temporary Assistance for Needy Families (TANF) in April 2022



\$130.16* per month on average through child support to help kids be happy and healthy over the last 12 months



212,823 New Mexico adults supported by Behavioral Health programs and services** from January-December 2021



last updated: 5/13/2022

**BH services include those covered through Medicaid and other sources (federal and general funds). The total is affected by a 3 month claim lag and therefore this measure is updated quarterly.

Source: <https://sites.google.com/view/nmhdscorecard>

MEET THE VOPHAM FAMILY*

- Lan VoPham is a single mother to 23-year-old Daniel and resides in Valencia county. Daniel enjoys painting, video games and listening to music.
- Lan works at a local retailer and balances her job with being full-time caregiver for Daniel. Lan and Daniel have received Medicaid and SNAP benefits for several years.
- They are eagerly waiting for Daniel to receive supports from the Alta Mira, which provides support and services through the Developmental Disabilities (DD) Waiver.
- Lan has heard she and others may lose SNAP and Medicaid benefits as COVID-19 cases decrease and is unsure what to do next.



** Based on a real client, whose name and photo are changed.*

COVID-19 PUBLIC HEALTH EMERGENCY (PHE) STATUS

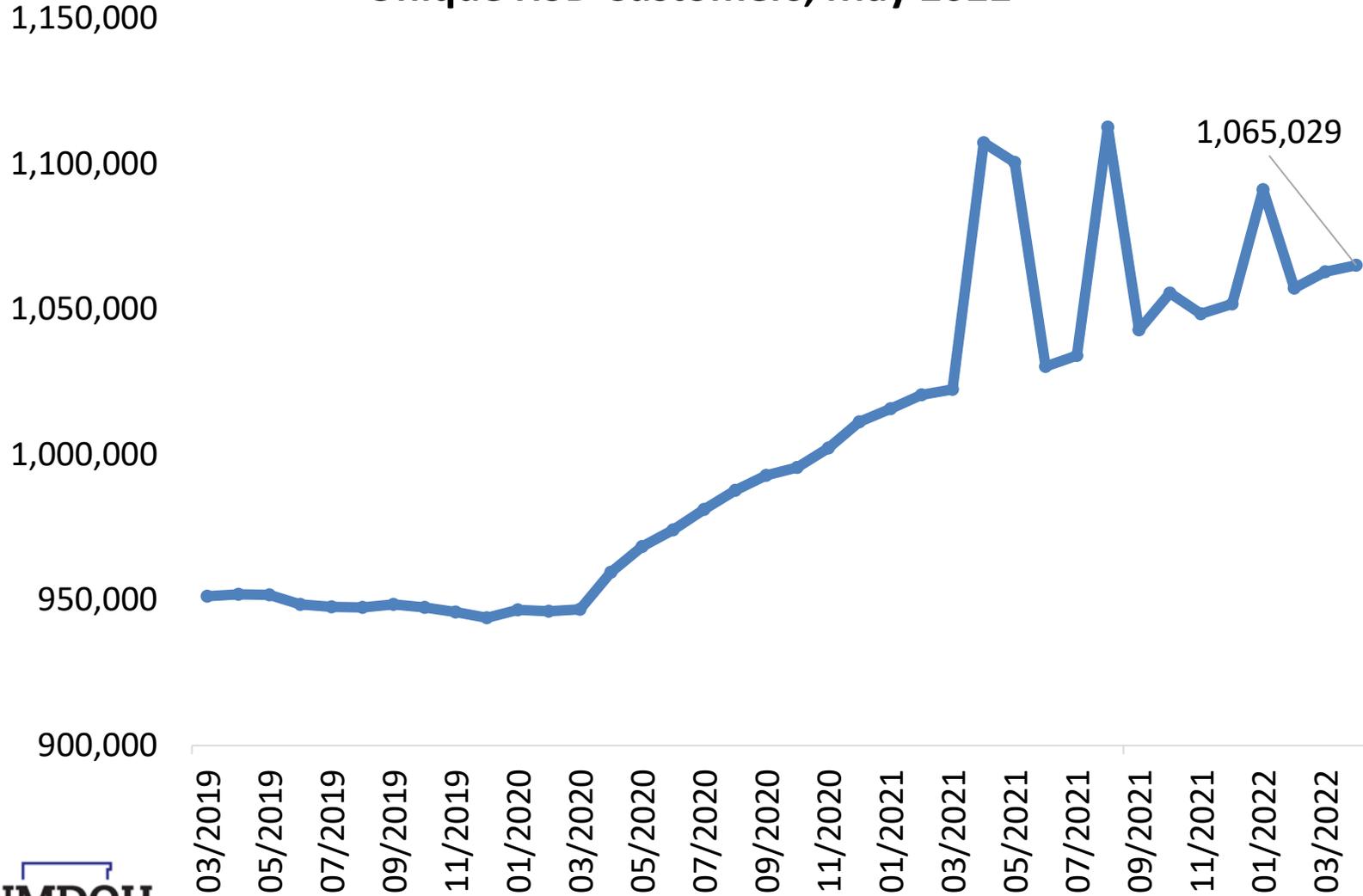


- Letter from CMS on extension: “... when a decision is made to terminate the declaration or let it expire, HHS will provide states with 60 days’ notice prior to termination”
 - **Under current PHE notice would be expected October 14, 2022**
- **When PHE declaration ends states are required to begin “unwinding”**
 - **Restart eligibility redeterminations for ALL Medicaid enrollees and transition those who are no longer eligible for Medicaid**
- <https://www.phe.gov/emergency/news/healthactions/phe/Pages/default.aspx>

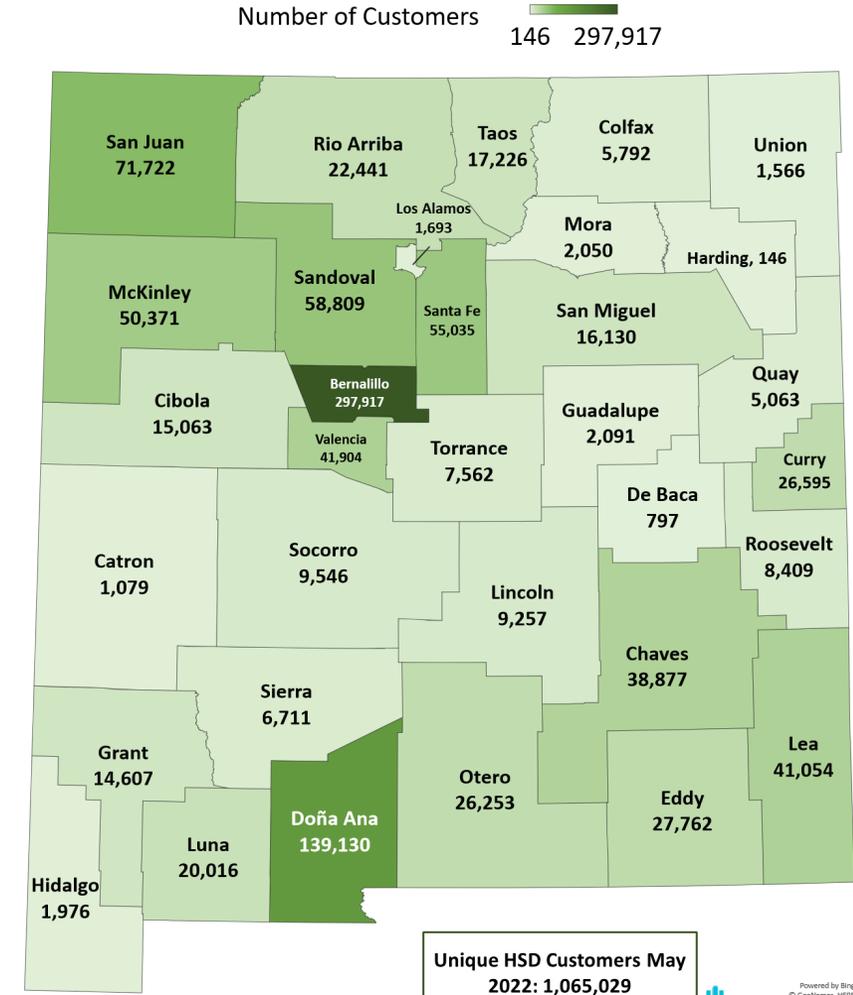
The content of these slides, specifically references to the end of the Public Health Emergency, 6.2% FMAP, and Maintenance of effort requirements and timelines, is subject to change as a result of evolving federal guidance, experience, new information, changes in process requirements, and the availability of resources.

PUBLIC HEALTH EMERGENCY (PHE) UNWINDING: UNPRECEDENTED WORKLOAD FOR HSD – NEARLY 51% OF NEW MEXICANS ON HSD PROGRAMS

Unique HSD Customers, May 2022



Unique HSD Customers, May 2022



Unique HSD Customers May 2022: 1,065,029

Powered by Bing © GeoNames, HERE

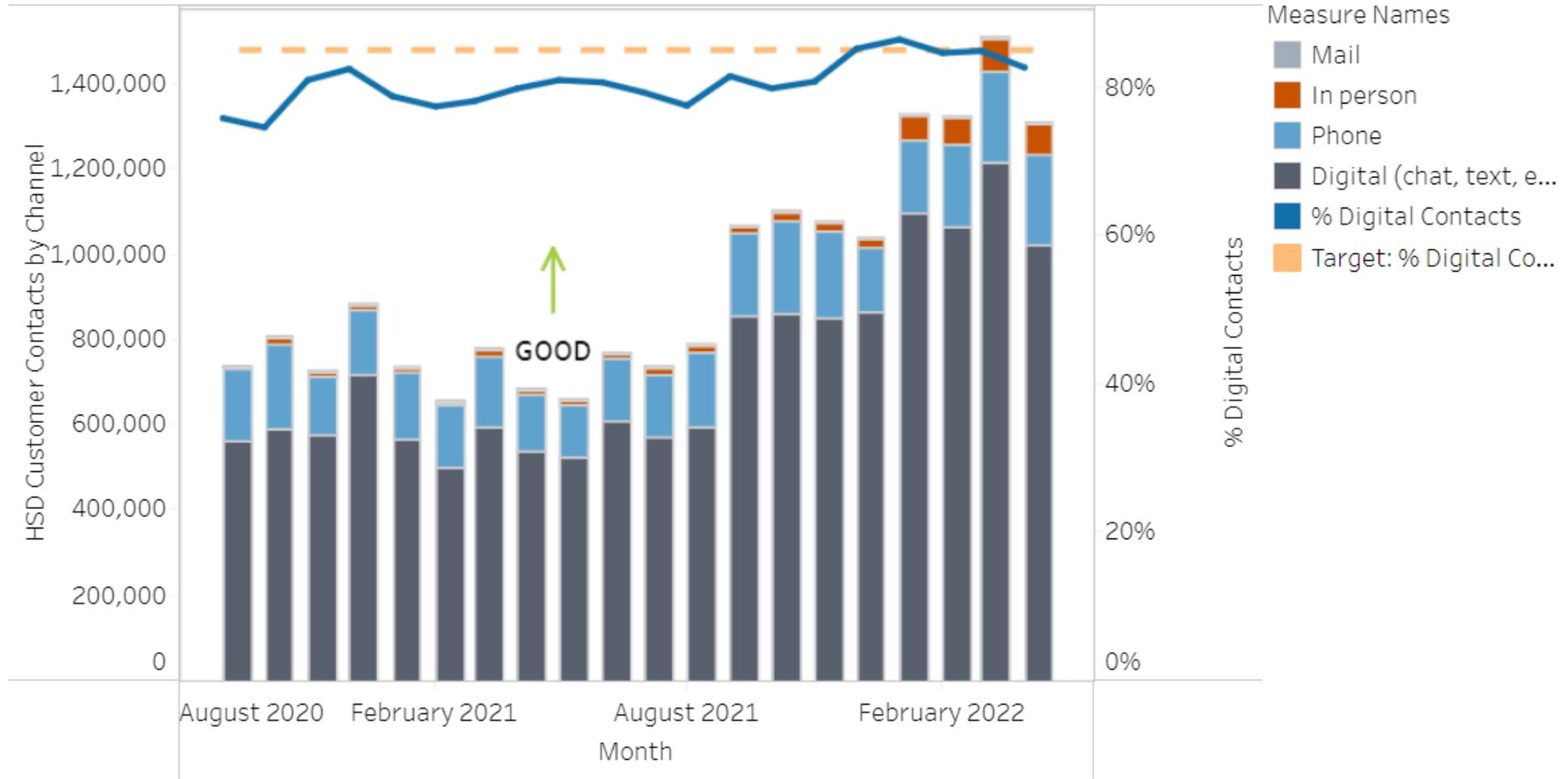


Investing for tomorrow, delivering today.



HSD PROGRAM OPERATIONS HAVE CHANGED

How often are people like me contacting HSD digitally, via a phone call, and in person or by mail?



Data updated: 5/10/2022

Source: <https://sites.google.com/view/nmhsdscorecard/goal-2>

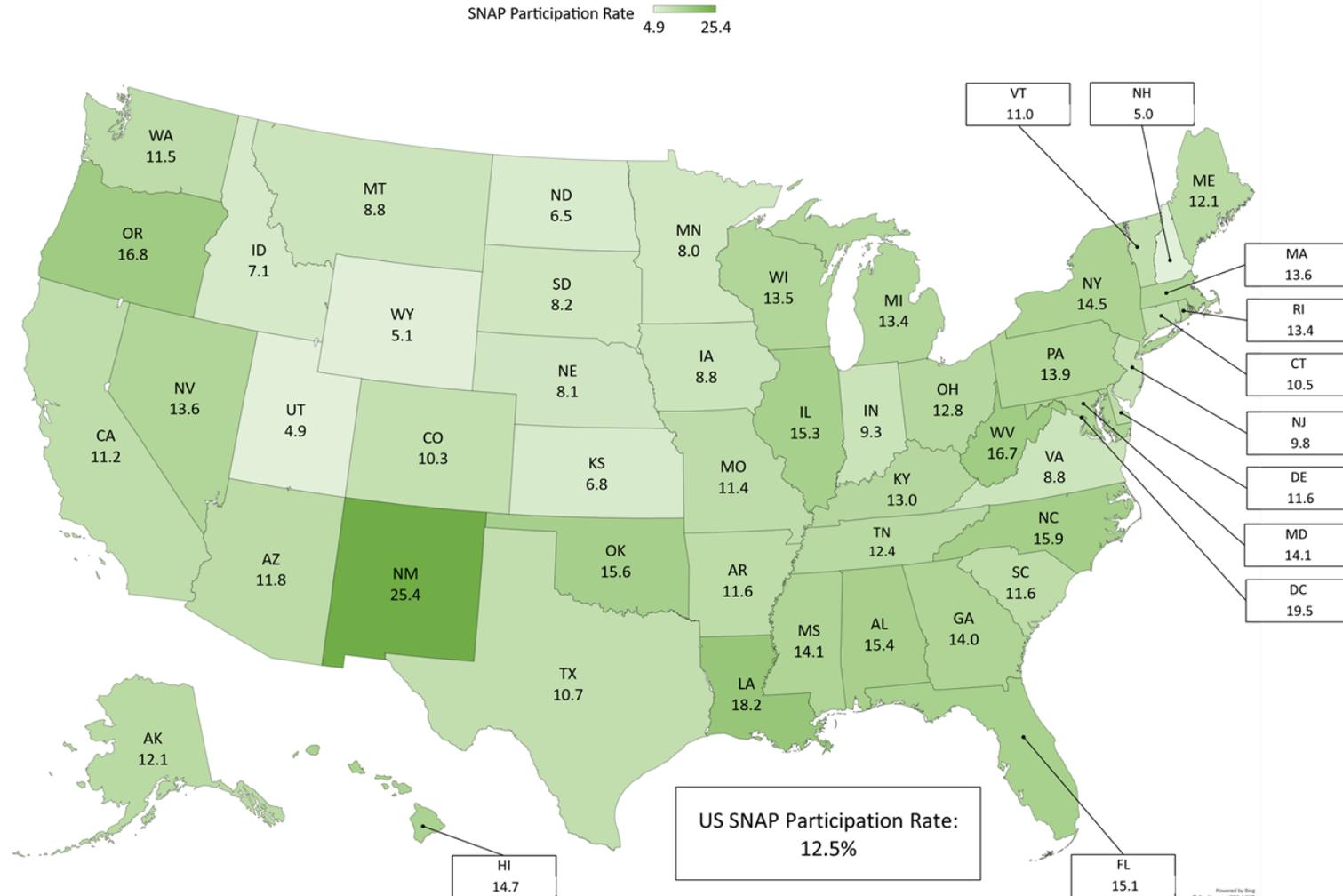
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) PHE UPDATE

- Recertifications began 1/1/2022.
 - Resuming SNAP recertifications resulted in 24,204 overdue cases

- HSD is working with Federal partners to secure waivers to extend SNAP renewals.
 - Seeking approval to extend renewals all SNAP cases through end of PHE.
 - In meantime, Federal partners approved:
 - 22,782 extensions for May
 - 23,643 extensions for June

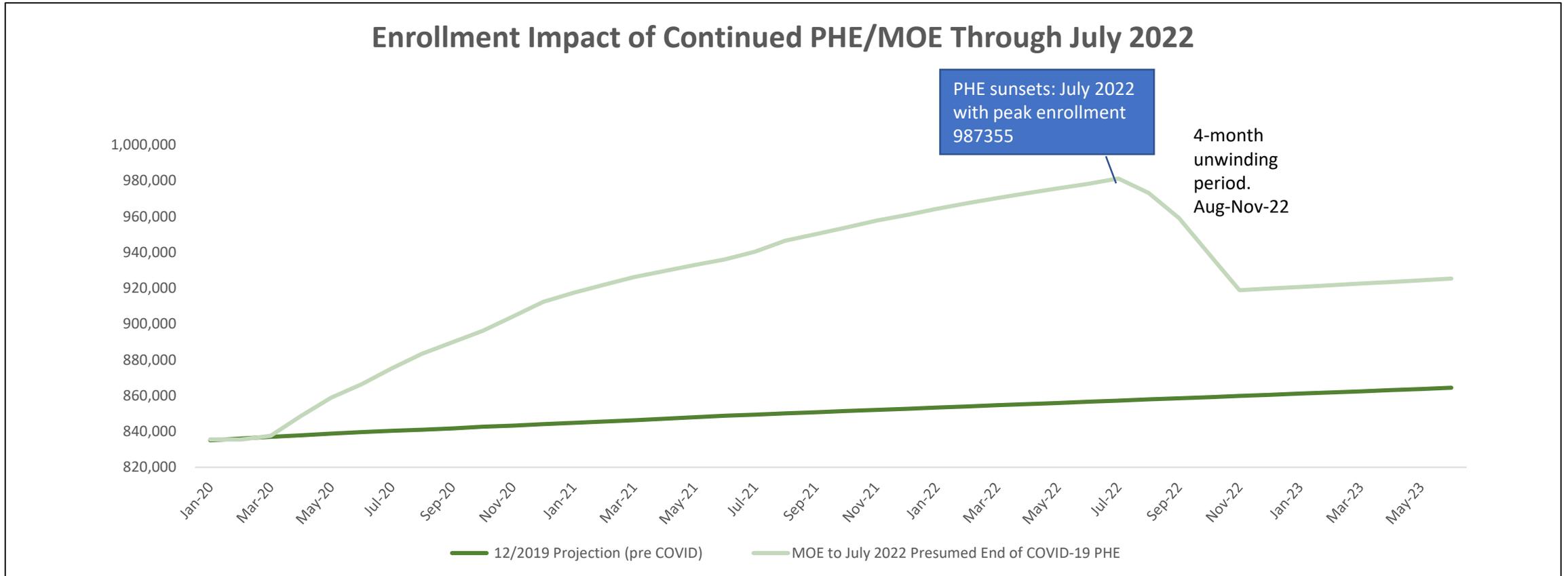
- If PHE expires in July, supplemental SNAP (\$95 per case) will expire in September, impacting 282,213 cases (554,970 individuals).

SNAP Recipients as Percentage of Population by State, July 2021



MEDICAID ENROLLMENT CHANGES

- COVID-19 pandemic, Maintenance of Effort (MOE) requirements, economic outlook, and stimulus policies influential factors in FY20 to FY23 enrollment and budget projections.



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PHE UNWINDING PLAN

Calendar Year	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	8/23	9/23	10/23	
<i>State Fiscal Year</i>	2022		2023																	
PHE Declaration	4/16 renewed			7/16 renewed			10/14 expires													
CMS Notice Commitment		5/16: Notice of term?			8/16 Notice of term?															
6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2% through 12/31	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Unwinding						1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Redetermination timing						9/15 Redetermination letters sent		First Terminations effective 11/1												
# ineligible Redeterminations								20K	20K	20K	20K									

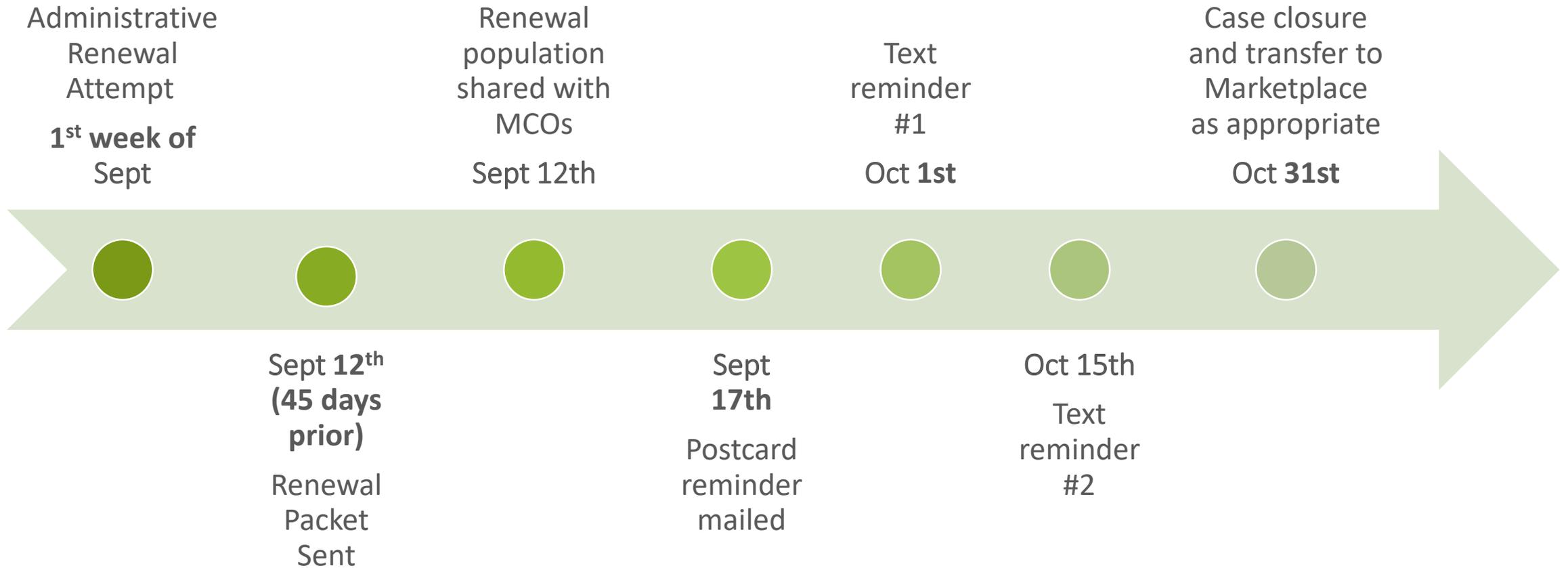
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Investing for tomorrow, delivering today.



RECERTIFICATION PROCESS POST PHE



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UNWINDING COMMUNICATIONS PLAN

Targeted Communication Activities		
Source	Communication Type/Strategy	Date/Timeframe
HSD	Update contact information text and social media campaign for Medicaid and SNAP customers	Begins in Mid-May; ongoing monthly text reminders
HSD	Sit-down with media to explain the PHE unwinding and present HSD branding materials	Tentatively scheduled for 5/24
HSD and MCOs	Social media messaging to notify members of PHE unwinding and required activities	End of August; social media messaging weekly throughout unwinding period
HSD	Turquoise envelope and Back on Track logo/messaging for all recertification/renewal packets	Starting in mid-September; packets to be sent monthly
HSD	Monthly reminder postcards to individuals due for recertification	Starting in late September; postcards to be sent monthly
MCOs	Provider/broker/stakeholder communications	September
HSD	Reminder text campaign to individuals due for recertification; completion text for individuals who have completed the recertification process	Starting in October; texts to be sent biweekly (targeted)
MCOs	Initiation of October member notification	October 1; recurring monthly
HSD	Reminder text campaign to individuals have not completed recertification	Starting October 15; texts to be sent biweekly (targeted)
MCOs	Community outreach event	October 31
HSD	Notification of denials sent to SNAP and Medicaid customers	October 31; recurring monthly for procedural denials at the end of every month
HSD	Kick off messaging campaign about the SNAP supplemental benefit expiring in September	August 1; text and postcard campaign
MCOs	Outreach to procedural denial to assist with transition to BeWell NM	First week of November

MEMBER COMMUNICATION



<https://www.yes.state.nm.us/yesnm/home/login>

New Mexico will restart eligibility reviews for Medicaid and CHIP coverage

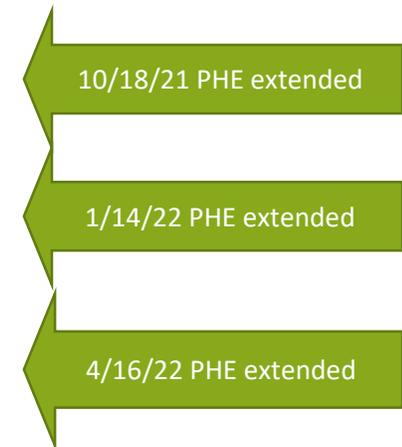
Don't risk a gap in your coverage

Following these steps will help determine if you still qualify:

- Make sure your contact information is up-to-date
- Check your mail for a letter
- Complete your renewal form (if you receive one)

ENROLLMENT CHANGES RELATIVE TO PRIOR PROJECTIONS

Date	Projected Members on 7/1/22	Difference from Budget 7/1/22 Membership	Difference from 2/1/20 Membership	Estimated Roll-off Start Date
<i>7/1/2020 Enrollment</i>	837,571			
9/1/2021 HSD Submitted Budget for SFY 2023	895,994	N/A	+58,423	1/1/2022
11/20/2021 Q1 Projection	916,365	+20,371	+78,794	4/1/2022
1/14/2022 Q2 projection	979,510	+83,516	+141,939	7/1/2022
4/26/2022 Q3 projection	987,355	+91,361	+149,784	8/1/2022



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Source: <https://sites.google.com/view/nmhsdscorecard/goal-1/access-to-care-medicaid-and-snap>

CURRENT MAINTENANCE OF EFFORT (MOE) INCOME INELIGIBLE VS PROJECTED

	Current Data April 2022	Projected Data July 2022	Difference	Why?
Total Enrollment	973,143	987,355	+14,212	Projected growth under MOE policy
Financially Ineligible	92,425 (Deloitte)	85,509	-6,916	COE transitions and churn among MAGI and Family Planning
Remaining Enrollment	880,718	901,846	Completion of 4-months of MOE population redeterminations	

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WHAT'S DRIVING MEDICAID ENROLLMENT?

- Growth in Medicaid/CHIP enrollment through July 2022 reflects
 - effects of PHE
 - stagnant workforce participation of lower-income parents (full-time vs. part-time status)
 - incentives for job search activity associated with stimulus/relief policies
- Growth in Medicaid/CHIP enrollment over SFY 2023 impacted most by 4-month Maintenance of Effort unwinding, reflecting:
 - Processing eligibility redeterminations
 - Procedural/financial closures
 - Category of Eligibility transitions/churn

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IMPACT OF UNEMPLOYMENT RATE AND WORKFORCE PARTICIPATION ON MEDICAID ENROLLMENT

- Regression models show:
 - 2% *increase* in employment associated with a 1.11% *decrease* in Medicaid enrollment
 - Medicaid enrollment increased by 94,020 with a decrease in Labor Force Participation (58.6% 2/2020 to 56.7% 3/2022)

Factor	For Every...	Change in Medicaid Enrollment
Unemployment Rate	1% decrease	4,995 member decrease
Workforce Participation	1% decrease	49,484 member increase

MEDICAID MAINTENANCE OF EFFORT POPULATIONS

There are two ways Medicaid eligible individuals are being kept open during the PHE, which began in March of 2020:

- **Group 1:** Medicaid eligibility and benefit level sustained for those individuals who are known to be no longer eligible for Medicaid or who would be eligible for a lesser benefit category; and,
- **Group 2:** Extending renewal dates in 3 month increments for individuals who fail to complete the renewal process.

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CHALLENGES TO UNWINDING

Challenges	Mitigations
SNAP and Medicaid unwinding happening at the same time	<ul style="list-style-type: none"> - Joint communication campaign - Training plan - Specialized team for handling cases - System automation changes
Old and incorrect contact information	<ul style="list-style-type: none"> - Communications plan using mail, text, email, press, radio, social media - Using USPS to look for change of address
Low response rate for request to renewal	<ul style="list-style-type: none"> - Communications plan - Stakeholder sessions
Call center staffing (competing for staff; continually changing training)	<ul style="list-style-type: none"> - Increasing staffing levels - Improving IVR
Supply chain issues	<ul style="list-style-type: none"> - No envelopes – alternative sourcing - Laptop shortage for new staff
Large number of members changing benefits	<ul style="list-style-type: none"> - Coordination with MCOs, beWellnm, New Mexico Medical Insurance Pool - Detailed unwinding schedule
Staffing challenges for ISD (requirements for merit staff)	<ul style="list-style-type: none"> - Rapid hire events - Augmenting staff with Presumptive Eligibility Determiners and Dept. of Work Force Solutions staff - Using Managed Care Organizations for communication where possible

MCO GF COST OF 9- VS 4-MONTH INCOME INELIGIBLE ROLL-OFF

Month	MCO PH MM	PH GF Cost (\$000s)	MCO OAG MM	OAG GF Cost (\$000s)	GF PMPM
8/1/2022	35,556	\$3,803	35,556	\$2,124	\$83.35
9/1/2022	31,111	\$3,328	31,111	\$1,859	\$83.35
10/1/2022	26,667	\$3,796	26,667	\$1,593	\$101.06
11/1/2022	22,222	\$3,164	22,222	\$1,328	\$101.06
12/1/2022	17,778	\$2,531	17,778	\$1,062	\$101.06
1/1/2023	13,333	\$1,898	13,333	\$797	\$101.06
2/1/2023	8,889	\$1,265	8,889	\$531	\$101.06
3/1/2023	4,444	\$632	4,444	\$266	\$101.06
		Avg Cost/Mo		Avg Cost/Mo	Avg GF PMPM
		\$2,269.0		\$1,062.0	\$96.63
		Additional PH + OAG Average General Fund Cost per Month:			
		\$3,331,000			

With 6.2% FMAP
FMAP = 79.91%
OAG FFP = 90%

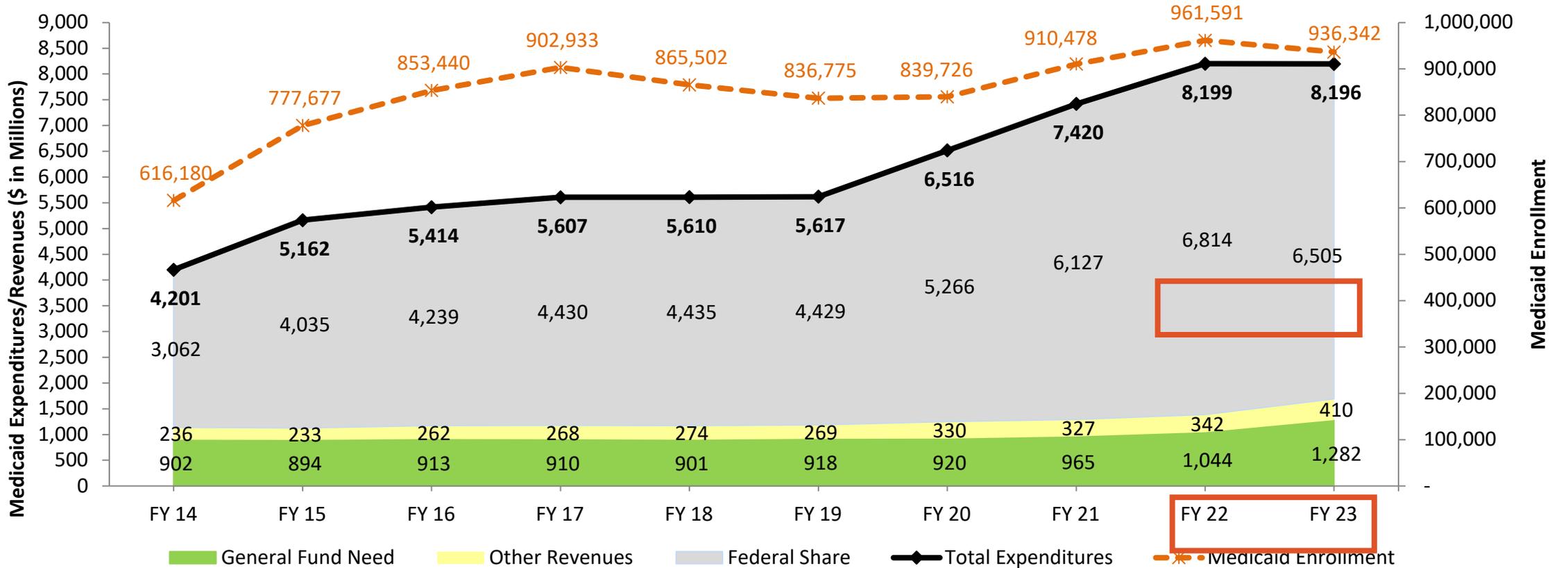
w/o 6.2% FMAP
FMAP = 73.26%
OAG FFP = 90%

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FEDERAL REVENUE SUPPORTING MEDICAID PROGRAM

SFY19 to SFY22: 46% increase in program expenses, 15% increase in membership.

Total Medicaid Enrollment, Expenditures and Revenues



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FACTORS CONTRIBUTING TO INCREASED MEDICAID SPENDING 2019 TO 2022

Factor	Cost Increase \$ (000s)	Cost Share	Comment
MCO Membership Growth	\$780,494	37%	130,200 new members, 18% growth
FFS, HCBW, Medicare, Other Growth	\$479,647	30%	Includes demography/trending; minimum wage; provider payments; expanded benefits
MCO Lump-Sum Payment Growth	\$353,661	19%	9% growth. Includes Directed Payments to providers & hospitals, IHS, other
MCO PMPM Growth	\$968,197	14%	\$132 PMPM change, 22% growth. Includes demography/ trending; premium tax (SB 317); COVID-19 related; minimum wage; expanded benefits.
Total Changes	\$2,582,000		

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WHO QUALIFIES?

- A family of three, with a parent and two children, working 40 hours per week can make:
 - < \$15.29/hour (138% FPL) and qualify for MEDICAID coverage
 - \$15.29 - 16.61/hour (139 - 150% FPL) and qualify for beWellnm with \$0 premiums
 - \$16.62 – 44.29/hour (151 - 400% FPL) and qualify for beWellnm coverage with premium assistance



Lawfully present immigrants who do not qualify for Medicaid

beWellnm with Premium Assistance

New Mexico Insurance Pool is available if you cannot get covered through Medicaid or beWellnm. Discounted premiums available for individuals with incomes under 400% FPL

MEDICAID

Medicaid for Kids (age 0-5)

Medicaid for Kids (age 6-18)

Medicaid for Adults (age 19-64)

How many people are in your household?	0-100% FPL	138% FPL	139% FPL	250% FPL	300% FPL	400% FPL	Over 400% FPL <small>New with Covid Relief Bill</small>
Individuals	\$1,133	\$1,563	\$1,564	\$2,832	\$3,398	\$4,530	\$4,530+
Family of: 2	\$1,526	\$2,106	\$2,107	\$3,815	\$4,578	\$6,103	\$6,103+
Family of: 3	\$1,920	\$2,649	\$2,649	\$4,798	\$5,758	\$7,677	\$7,677+
Family of: 4	\$2,313	\$3,191	\$3,192	\$5,782	\$6,938	\$9,250	\$9,250+
Family of: 5	\$2,706	\$3,734	\$3,735	\$6,765	\$8,118	\$10,823	\$10,823+
Family of: 6	\$3,100	\$4,277	\$4,278	\$7,748	\$9,298	\$12,397	\$12,397+
Family of: 7	\$3,493	\$4,820	\$4,821	\$8,732	\$10,478	\$13,970	\$13,970+
Family of: 8	\$3,886	\$5,363	\$5,363	\$9,715	\$11,658	\$15,543	\$15,543+

The FPL amounts are valid through March 31, 2023. If you think you qualify or are unsure what you qualify for, give us a call so we can help!



1-800-283-4465
or visit yes.state.nm.us



1-833-ToBeWell (862-3935)
or visit beWellnm.com



1-844-728-7896
or visit nmmip.org

Preparing for Health Coverage Transitions After the Public Health Emergency

Russell Toal, Superintendent of Insurance
Presentation to the New Mexico Legislative Finance Committee
May 19, 2022



beWellnm is New Mexico's Health Insurance Marketplace

- beWellnm typically offers coverage to those who don't have access to job-based health insurance or public insurance, like Medicaid or Medicare.
- beWellnm is a “marketplace” where people can go to shop for and compare health plans that meet coverage standards established by the Affordable Care Act, like pre-existing condition protections and coverage of the ten essential health benefits.
- beWellnm is the only place where New Mexicans can get financial help with premiums and out-of-pocket costs for individual market coverage.

Website: www.bewellnm.com

Call Center: 1-833-ToBeWell (833-862-3935)



beWellnm®

Planning for the end of the federal Public Health Emergency (PHE) declaration

- HSD estimates that 85,000 current Medicaid enrollees will no longer qualify for Medicaid after the PHE declaration ends.
- beWellnm will be an important source of coverage for New Mexicans who do not have access to affordable job-based health insurance after the PHE. National estimates suggest that 1-in-3 adults and 1-in-5 kids in this group will qualify for Marketplace coverage.
- HSD, beWellnm, and OSI are working together closely to ensure a smooth transition of coverage.

Source: [Urban Institute, 2021](#); OSI calculations



beWellnm®

beWellnm's Outreach Plan for PHE Unwinding

- **Direct communication to those losing Medicaid:** Outbound calls and texts, letters, email
- **In-person:** Local events, coordination with local leaders and community groups, enrollment assistance at beWellnm and ISD offices, connecting people to free local enrollment assistance
- **Media:** Local radio, social media, digital ads

Medicaid Transition Premium Relief on beWellnm



- The Legislature authorized OSI to use funds from the Health Care Affordability Fund to provide premium relief to those transitioning from Medicaid who qualify for individual and family coverage on beWellnm.
- OSI released emergency rules establishing program criteria if the roll-off period occurs in 2022.
 - Covers first month's premium for lower/middle income enrollees who also qualify for federal assistance on beWellnm.

Medicaid Transition Premium Relief on beWellnm



- Considerations for potential November 1 roll off date
 - Open enrollment for 2023 coverage begins November 1, 2022, creating confusion for consumers
 - Federal rules use calendar year for coverage, meaning that 2022 coverage only runs through December 31
 - Out-of-pocket costs can be significant and reset annually
 - Jan 1, 2023 would be better for beWellnm-eligible individuals and families
- Considerations for potential roll off in 2023
 - New Mexico's Marketplace Affordability Program will begin January 1, 2023, providing additional premium and out-of-pocket assistance for most enrollees
 - OSI is assessing challenges of overlap with Marketplace Affordability Program

Medicaid Transition Premium Relief on beWellnm



- Premium relief will make it easier for individuals and families to transition to a new form of coverage
- Covering the first month premium will guarantee additional protections
 - No chance of coverage termination due to non-payment for first month of coverage
 - Locks in 90-day grace period in case people fall behind on premiums for the rest of the year



Other PHE unwinding efforts

- All Medicaid MCOs also offer coverage on beWellnm, making the coverage transition more seamless.
- OSI has contracted with project managers to coordinate regular cross-agency efforts to plan for the PHE unwinding.
- beWellnm's Board of Directors has brought a new team on board to handle issues with the call center and enrollment platform, with a special focus on preparing for the PHE unwinding.

SUPPLEMENTAL HOSPITAL PAYMENTS

	Payment (Year Payment Began)	Year Payment Began	Amount (TC)	Medicaid Program	Calendar Year 2021	Calendar Year 2022	Payment Methodology
1	Hospital Quality Improvement Initiative (HQII)	Pre-2019	\$12 million	Fee-for-Service (FFS)	Payments complete	Payments complete	Supplemental payment paid annually by HSD
2	Disproportional Share Hospitals (DSH)	Pre-2019	\$32 million	Fee-for-Service (FFS)	Payments complete	Approved by CMS	Supplemental payment paid annually by HSD
3	Indirect Medical Education (IME)	Pre-2019	\$100 million	Fee-for-Service (FFS)	Payments complete	Approved by CMS	Supplemental payment paid quarterly by HSD
4	Graduate Medical Education (GME)	Pre-2019	\$27 million	Fee-for-Service (FFS)	Payments complete	Approved by CMS	Supplemental payment paid quarterly by HSD
5	UC Pool	Pre-2019	\$69 million	Fee-for-Service (FFS) ⁵	Payments complete	Moved to HAP & TAP	Supplemental payment paid quarterly by HSD
6	Community Tribal Hospitals	2019	\$14.4 million	Managed Care (MC)	Payments complete	Approved by CMS	Percentage rate increase per MC encounter
7	For-Profit and Government Owned Hospitals	2019	\$12.6 million	Managed Care (MC)	Payments complete	Approved by CMS	Percentage rate increase per MC encounter

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SUPPLEMENTAL HOSPITAL PAYMENTS

	Payment (Year Payment Began)	Year Payment Began	Amount (TC)	Medicaid Program	Calendar Year 2021	Calendar Year 2022	Payment Methodology
8	Not-For-Profit Hospitals	2019	\$12.4 million	Managed Care (MC)	Payments complete	Approved by CMS	Percentage rate increase per MC encounter
9	Temporary Hospital COVID Increases	2020	\$70.3 million	FFS & Managed Care (MC)	Payments complete	Approved by CMS	Percentage rate increase
10	Hospital Access Payment (HAP)	2020	\$58 million	Managed Care (MC)	Payments complete	Approved by CMS	Quarterly payment based on a per MC discharge add-on
11	Trauma Hospitals	2020	\$6.1 million	Managed Care (MC)	Payments complete	Pending CMS Approval on 438.6 Directed Payment	Percentage rate increase per MC encounter
12	Targeted Access Payment (TAP)	2020	\$23 million	Fee-for-Service (FFS)	Payments complete	Approved by CMS	Supplemental payment paid annually by HSD
13	Temporary Hospital COVID Increases	2022	\$150.0 million	Managed Care (MC)	N/A	Pending CMS Approval on 438.6 Directed Payment	Quarterly payment based on a per MC discharge add-on
14	Community Tribal Hospitals	202213	\$28.8 million	Managed Care (MC)	Payments complete	Approved by CMS	Percentage rate increase per MC encounter
Total			\$532.2 million				

HSD is issuing \$280.2M more in hospital supplemental payments in 2022 than payments made in 2018.

The content of these slides, specifically references to the end of the Public Health Emergency, 6.2% FMAP, and Maintenance of effort requirements and timelines, is subject to change as a result of evolving federal guidance, experience, new information, changes in process requirements, and the availability of resources.

Investing for tomorrow, delivering today.

CMS REQUIRES PAYMENT METHODOLOGY CHANGE

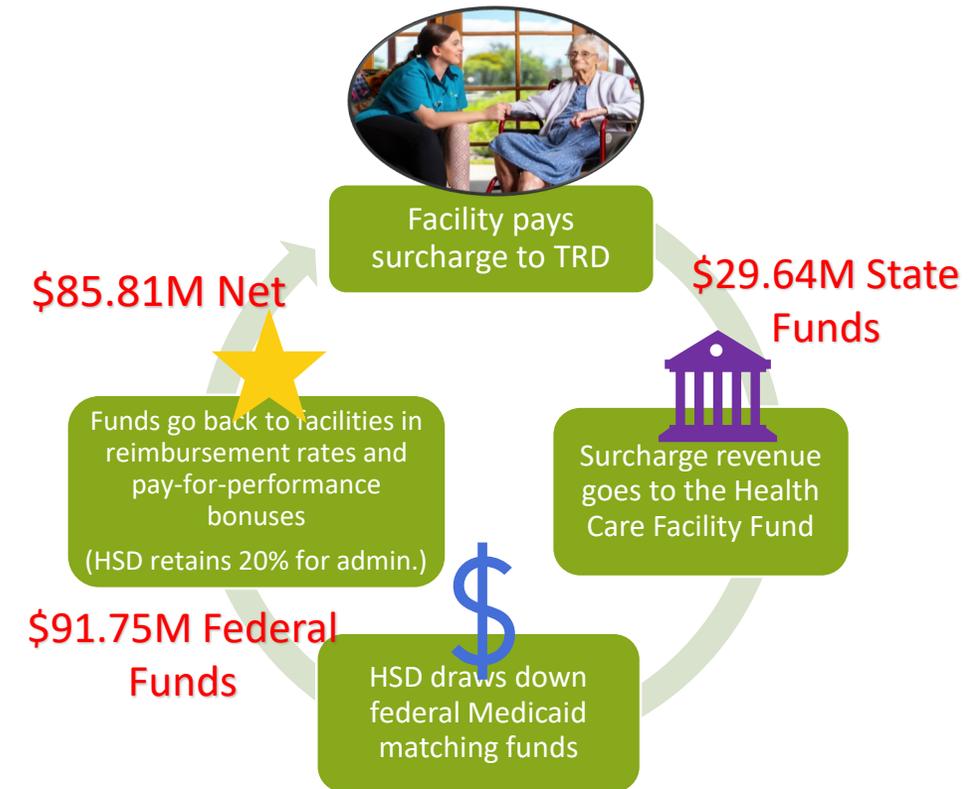
- In the past, payment programs like the Uncompensated Care Pool allowed HSD to provide support to rural hospitals above and beyond Medicaid volume-based payments
- Effective 2020, CMS no longer allows these types of payment methods
- All hospital payments (other than quality incentives) must be based on and distributed according to Medicaid patient volumes
 - The Hospital Access Payment Program (HAP) and the Targeted Access Payment (TAP) were designed using the CMS required utilization-based methodology

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NURSING FACILITY PAYMENTS

Directed Payment	Amount	Calendar Year 2021	Calendar Year 2022
Nursing Facility Value Based Purchasing	\$4.5 million	Payments complete	Pending CMS Approval on 438.6 Directed Payment
Healthcare Quality Surcharge	\$130.9 million	Payments complete	Approved by CMS
Temporary Non-emergency medical transportation COVID Increases	\$21.2 million	N/A	Pending CMS Approval on 438.6 Directed Payment
TOTAL: \$156.6 M			

Health Care Quality Surcharge Program



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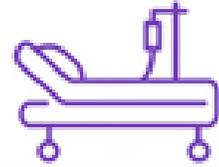
MISSION

To ensure health equity, we work with our partners to promote health and well-being, and improve health outcomes for all people in New Mexico.

GOALS



We expand equitable access to services for all New Mexicans



We ensure safety in New Mexico healthcare environments



We improve health status for all New Mexicans



We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

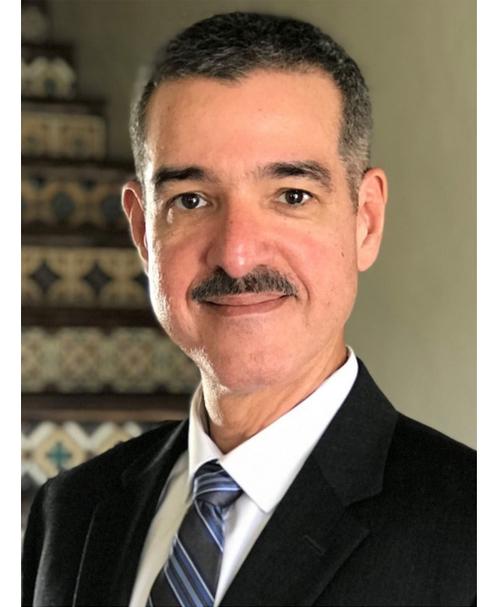
NMDOH FACILITIES UPDATE

Pursuant to July 2021 Program Evaluation of NM Department of Health (DOH) Facilities: *Oversight, Capacity and Performance*, a Deputy Cabinet Secretary was appointed with vision of building unified hospital system for NMDOH's 7 facilities.

- DOH welcomed **Lea Harrison** as Deputy Cabinet Secretary of Facilities on 1/31/22.
- **Dr. José Acosta** was hired as NMDOH Chief Medical Officer on 2/21/22.



Lea J. Harrison
Deputy Secretary
lea.harrison@state.nm.us
505-400-1442 (cell)



José A. Acosta, MD, MBA
Chief Medical Officer
josea.acosta@state.nm.us
505-690-5748 (cell)

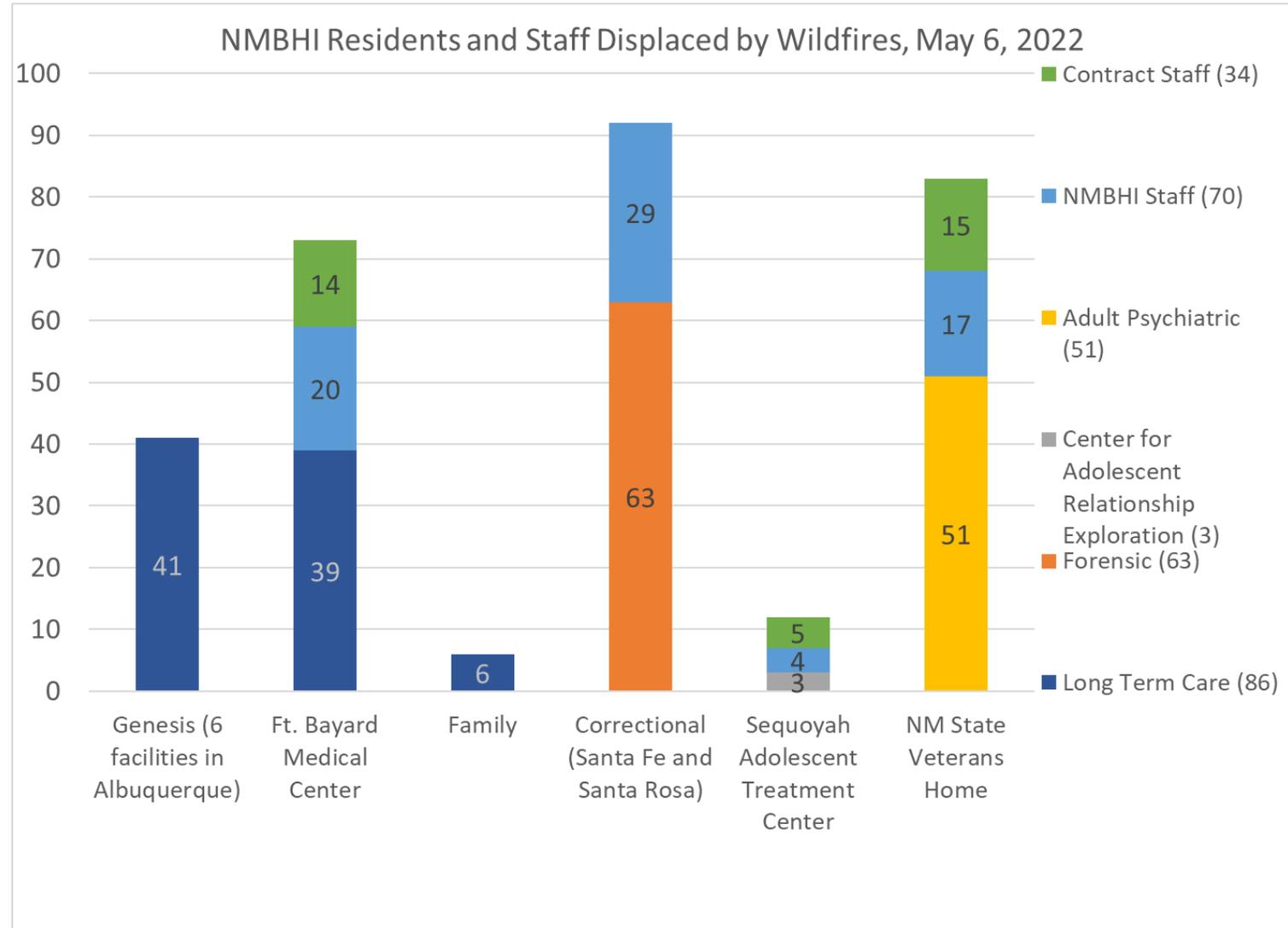
DR. JOSÉ A. ACOSTA

- Dr. Acosta cannot be with us in Roswell today as he is in New York City celebrating his son's graduation from Columbia University with a PhD in Economics.
- Dr. Acosta joined NMDOH as an experienced healthcare provider who has recently served in distinguished leadership roles such as Chief Medical Officer for the U.S. Department of Veterans Affairs Loma Linda Healthcare System and as Executive Medical Director for the U.S. Navy.
- Dr. Acosta's proven ability to develop and implement strategies supporting quality and financial objectives is an asset to NMDOH and we are grateful he's on our team!



NM BEHAVIORAL HEALTH INSTITUTE (NMBHI) EVACUATION UPDATE

- NMBHI in Las Vegas evacuated at 2:30am on Monday, 5/2/2022 due to nearby wildfires.
- All individuals transported:
 - 203 residents evacuated.
 - 70 staff deployed to facilities with residents.
 - More than 50 staff were displaced from their homes.
- As of 5/16/22 all APD & LTC patients have been returned. On 5/18/22 Forensics patients returned; On 5/19/22 CARE patients will return.
- We thank DOH facility administrators and colleagues for ensuring residents and staff safety!



RECOMMENDATIONS FROM THE JULY 2021 FACILITIES EVALUATION

	Recommendation	Status
1	Legislature should consider: Establishing a chief executive officer of facilities at the deputy secretary level accountable to the secretary of Health and the DOH facilities governing board.	Complete
2	Legislature should consider: Formally establishing the DOH facilities governing board in statute, with voting membership independent of facility administration and with clear authority to review quality metrics, clinical outcomes, finances, and management performance.	In progress
3	Funding the state share of construction of a replacement for the original building at the New Mexico State Veterans' Home.	Complete
4	Facilities governing board should: Update its bylaws to establish standing committees on quality and safety, finance, and strategic planning.	Complete
5	DOH should: Take immediate action following recommendations of infection control specialists to ensure staff follow best practices regarding use of PPE, including staff education, refresher training, rounding, real-time coaching, and random auditing.	Complete
6	DOH should: Develop a systemwide facilities master plan that includes a needs assessment for all facility services currently offered, including options for replacing the Veterans' Home with federal support from the VA and consolidating substance abuse treatment centers.	Complete

RECOMMENDATIONS FROM THE JULY 2021 FACILITIES EVALUATION

	Recommendation	Status
7	DOH should: At department level, develop a comprehensive strategy to recruit for and retain highest-need positions, including: (1 of 2) Partnerships with NM nursing schools for nurse internships and with community colleges, technical and vocational training programs, and high schools for nursing aides, psychiatric technicians, and other needed clinical support personnel.	In progress
8	DOH should: At department, develop a comprehensive strategy to recruit for and retain highest-need positions, including: (2 of 2) Develop central pool of cross-trained traveling clinical staff, including nurses, technicians, and other providers, to be deployed strategically to fill vacancies.	In progress
9	DOH should: Similar to current practice by HSD for Medicaid projections, report at least quarterly to LFC and DFA on projected revenues and expenditures for each facility, including rationales for projected census, staffing and allowances for uncollected revenue and unanticipated expenses.	In progress
10	DOH should: Reorganize responsibilities and workflow of the its Administrative Services Division and facilities program to centralize certain financial and billing operations, oversight, and planning.	In progress
11	DOH should: Assess critical data needs for management of facilities as a unified enterprise and develop a plan for integrating key operational metrics (including daily census, staffing, revenues and expenditures) with clinical data (electronic health records and clinical outcomes), including integration with the HHS 2020/Medicaid management information system replacement project. Subsequently DOH should request funding for such a system from the New Mexico Legislature.	In progress
12	DOH should: Facilitate workgroups across all DOH facilities to share institutional knowledge and implement best practices.	In progress

FACILITIES GOVERNANCE BOARD

- Updated Facilities Governing Board By-Laws, effective 4/12/22.
- NMDOH is actively recruiting 6 board members from the four quadrants of the State
- First board meeting scheduled for 7/21/22.

THE NEW MEXICO DEPARTMENT OF HEALTH FACILITIES GOVERNANCE BOARD BYLAWS

ARTICLE I: PURPOSE AND MISSION

1.01: Purpose

The purpose of the of the New Mexico Department of Health Facilities Governance Advisory Board Bylaws is to define the membership, roles and duties of the Facilities Governance Advisory Board, establish standards for the conduct of meetings of the Facilities Governance Advisory Board and to maintain compliance with federal regulations requiring facility governing bodies as stated in 42 CFR 483.70 (d) (long term care), 42 CFR 483.410 (intermediate care facilities), 42 CFR 482.12 (hospitals), and NMSA 1978, § 23-1-1 (Adolescent Treatment Hospital Act).

1.02: Mission Statement

The mission of the New Mexico Department of Health Facilities Governance Advisory Board is to ensure equitable, comprehensive, high quality, and safe care to the State's citizens at all New Mexico Department of Health facilities/program through review of providers eligibilities, competencies, and facilities/program internal practices and policies.

ARTICLE II: DEFINITIONS

2.01: Board

The term "Board" or "Facilities Governance Advisory Board" shall mean the Board Members of the New Mexico Department of Health Facilities Governance Advisory Board, when acting under these Bylaws.

2.02: Facility/Program

The term "Facility" or "Program" shall refer to the following facilities and program:

- A. New Mexico Behavioral Health Institute (NMBHI)
- B. Turquoise Lodge Hospital (TLH)
- C. Sequoyah Adolescent Treatment Center (SATC)
- D. New Mexico State Veterans' Home (NMSVH)
- E. Fort Bayard Medical Center (FBMC)
- F. New Mexico Rehabilitation Center (NMRC)
- G. Los Lunas Community Program (LLCP)
- H. The long-term care unit at NMBHI (Meadows)

PHARMACY SOLUTIONS

- In April 2022 both Ft. Bayard Medical Center and NM State Veterans Home pharmacy services were outsourced to PharMerica, a national leader in pharmacy services.
- Pharmacy services include medication availability (automated dispensing and EHR interface), cost containment & reduction, and compliance and education.
- Sequoyah Adolescent Treatment Center has used PharMerica since 2019
- Other facilities use BDM and Rx Innovations

PharMerica®



STAFF RECRUITMENT AND RETENTION

- Dep. Sec. Harrison and Dr. Acosta toured and met with leadership at all 7 facilities within first 30 days of joining NMDOH.
- Monthly nurse leadership and quality meetings were established in April.
- Shift differentials for weekend and night shifts were implemented on 4/16/22.
- Detailed review (ongoing) of salary structures for clinical providers is being conducted by CMO.
- Promotion of open positions with our partners and more widely online.
- Advocating for simplification of application process.



NMDOH FACILITIES WORKING AS A HEALTHCARE SYSTEM

- Planning phase for NMDOH electronic healthcare record approved by DoIT.
- Established facilities Quality Council.
- Bi-weekly facilities medical directors meeting.
- Established monthly nurse leadership meetings.
- Ensuring compliance with professional competency reviews.
- Assisting facilities with professional services contracts.
- Reviewing facilities referrals, denials and admission/exclusionary criteria.



GLORIETA EVACUATION SHELTER UPDATES

- Glorieta Camp activated as shelter site for Calf Canyon/Hermit's Peak Fire evacuees on May 1st, 2022.
 - Total sheltered to date = 963.
 - Current census of 529, with total capacity of 900.
 - Total meals served by American Red Cross = 2,791.
 - Evacuees provided counseling services, 3 meals daily, snacks, laundry, internet, private rooms, medical care, child care, and pet care.

- HSD, DOH, and CYFD partnered with American Red Cross to provide oversight and management of operations.
 - HSD providing technical assistance and peer support counseling services, as well as benefit enrollment services including but not limited to SNAP, Medicaid, and Energy Assistance.
 - DOH providing medical oversight and providing technical assistance on shelter operations.
 - CYFD assisting with day-to-day operations and child care needs.



Photos provided by CYFD shelter team member Scott Housey

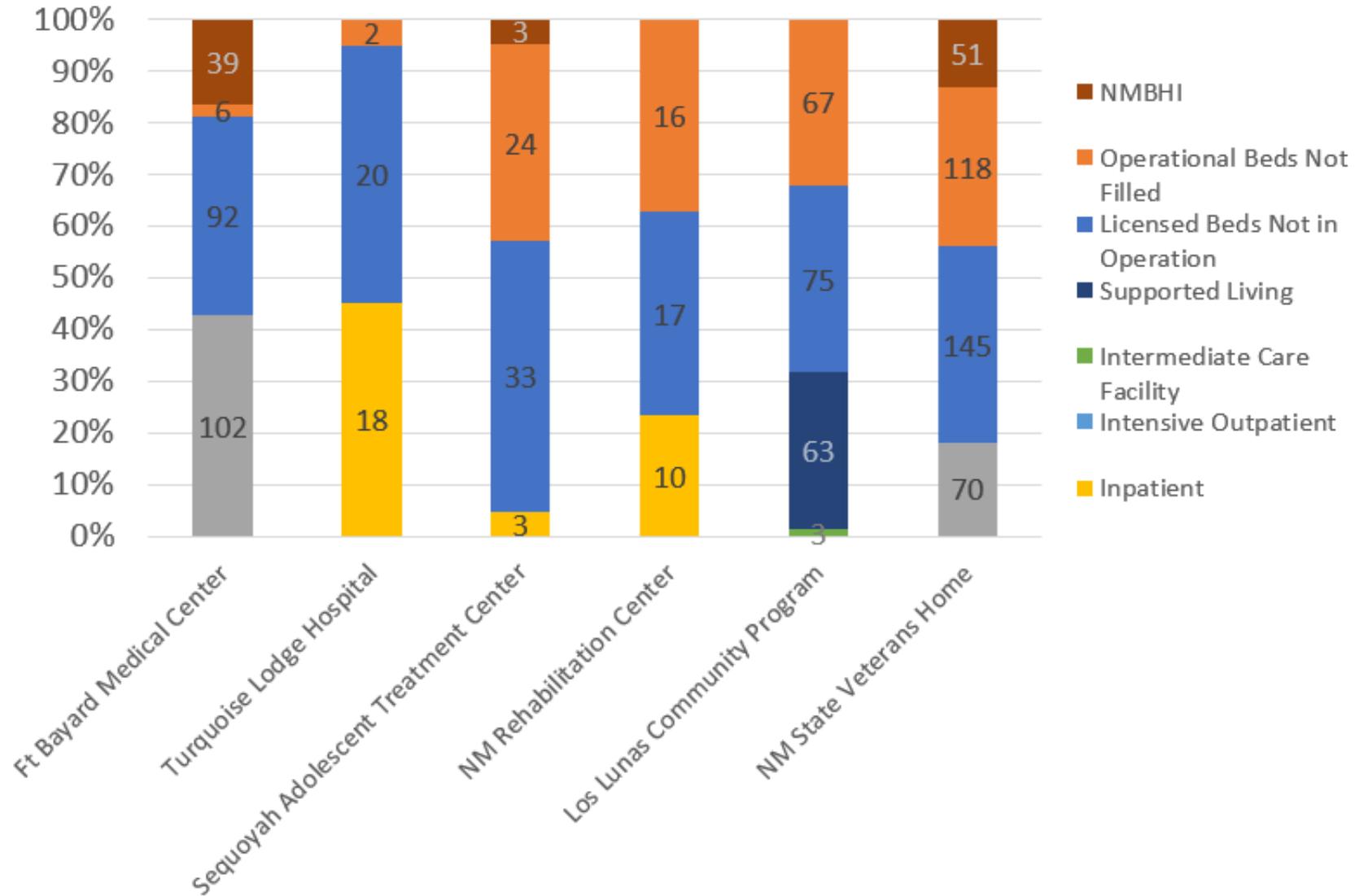
FACILITIES BUDGET UPDATE: SFY22

Facilities Management Division			
Budget Projections through June 30, 2022			
Revenue Total			\$ 145,009,404
EXPENSE DESCRIPTION	CATEGORY	Original Operating Budget	PROJECTION June 30, 2022
Personal Services & Employee Benefits	200	\$ 124,593,500	\$ 106,162,220
Contractual Services	300	\$ 14,422,100	\$ 13,671,590
Other Operating Costs	400	\$ 28,271,600	\$ 25,532,206
Other Financing Uses	500		\$ -
Expense Total		\$ 167,287,200	\$ 145,366,016
TOTAL Surplus/(Shortfall)			\$ (356,612)

DAILY CENSUS

- A uniform daily census report was implemented across all 7 facilities on 3/15/22.
- Tool allows DOH leadership to track changes in census as well as operational bed rates compared to licensed bed rates.

Facility Census by Bed Type on May 6, 2022



DEVELOPMENTAL DISABILITIES SUPPORTS DIVISION

Mission: To effectively administer a system of *person-centered* community supports and services that promote positive outcomes for all stakeholders with a primary focus on assisting individuals with developmental disabilities and their families to exercise their right to make choices, grow, and contribute to their community.

Vision: Our vision is for people with intellectual and developmental disabilities to live the lives they prefer in their communities.



AGENDA

- SUPER ALLOCATION AND WAITLIST UPDATE
- STATUS OF PROVIDER NETWORK
- Permanent Rate Increase 7/1/2022 (**Fully Funded Study from SFY2019**)
- Temporary COVID Economic Recovery Payments & ARPA 10% DRAW
 - [NM_HCBS-Spending-Plan_Quarterly-Update_Clean-Version_Rev.-2.15.2022.pdf\(state.nm.us\)](#)
 - [Frequently-Asked-Questions_HCBS-ARPA-15-Temporary-Reimbursement-Increase_4.1.22_FINAL.pdf\(state.nm.us\)](#)
- SFY23 Rate Study (SFY25 Base Budget Request Foundation)
- SFY24 Inflationary Request

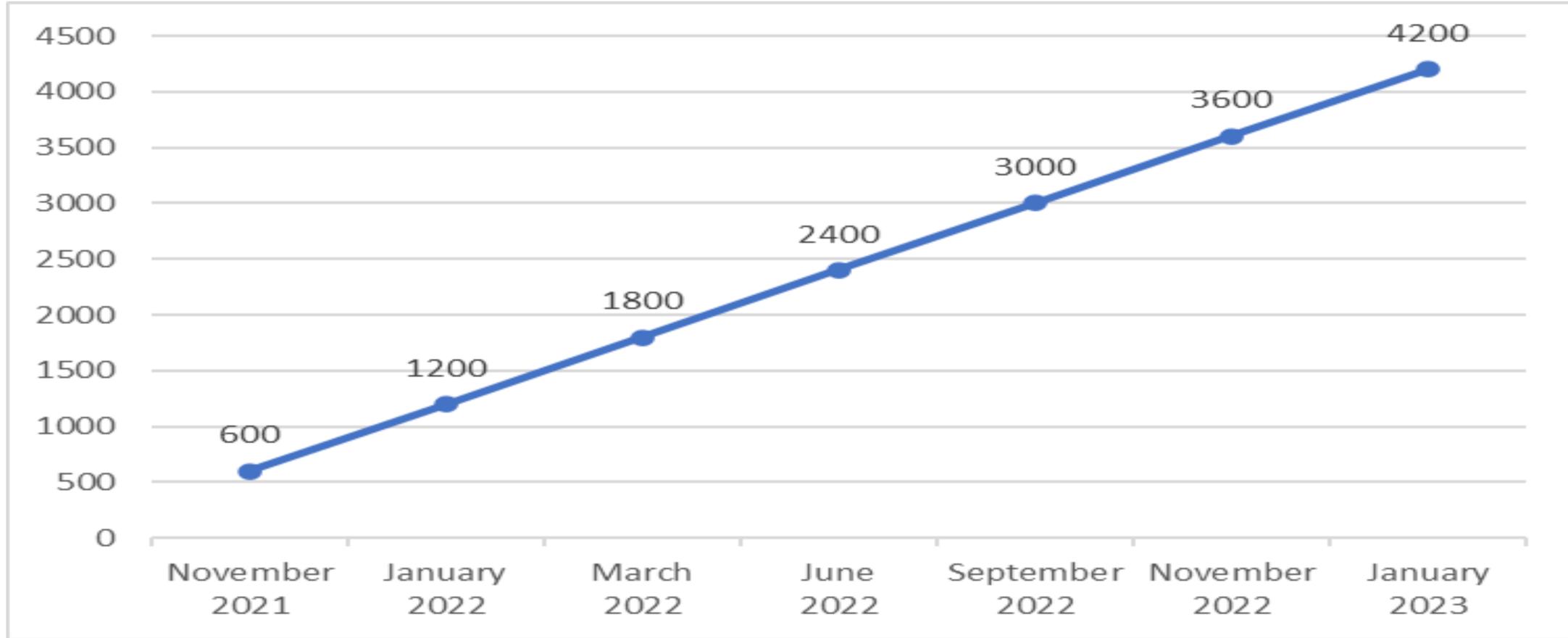
SUPER ALLOCATION & THE WAIT LIST

TIMELINE TO ELIMINATE THE 13-YEAR DD WAIT LIST

SFY22 allocations: 2,400 (57%)

SFY23 allocations: 1,800 (43%)

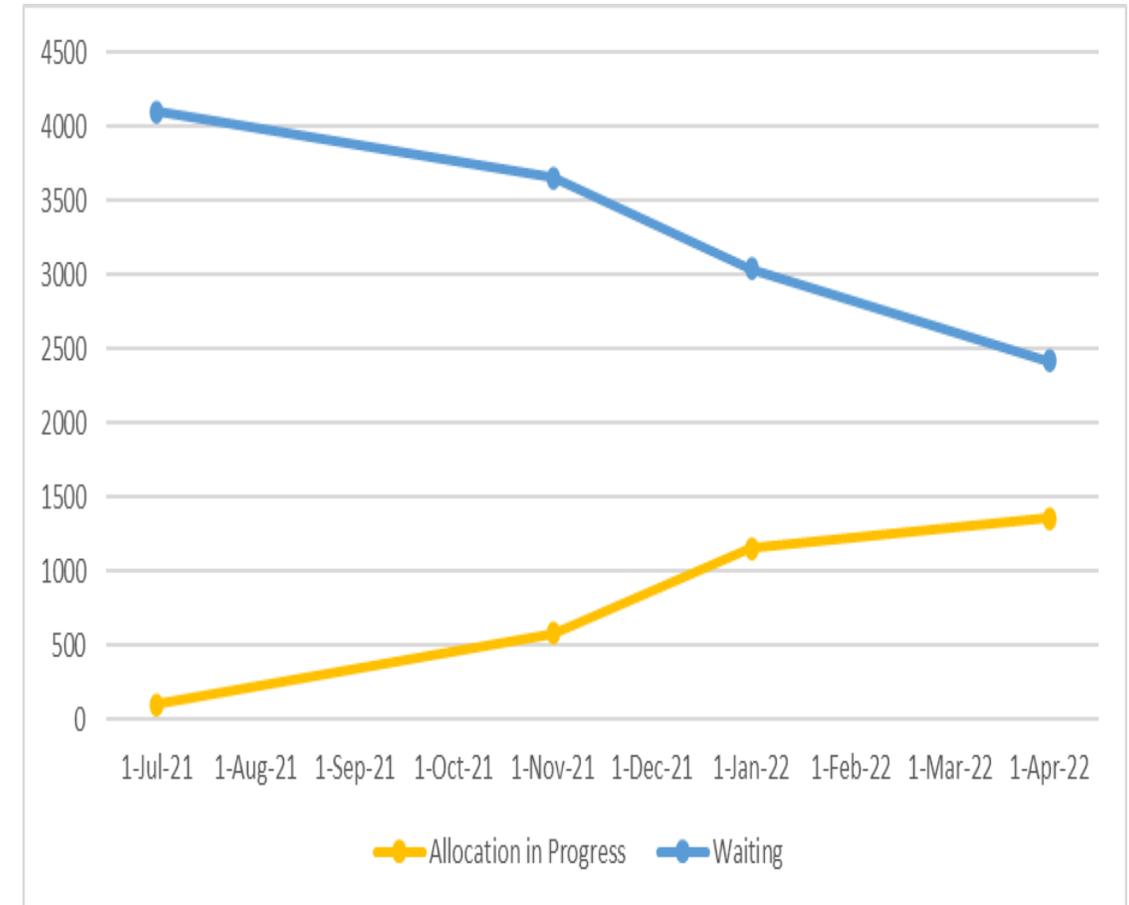
***WAITLIST ELIMINATED**



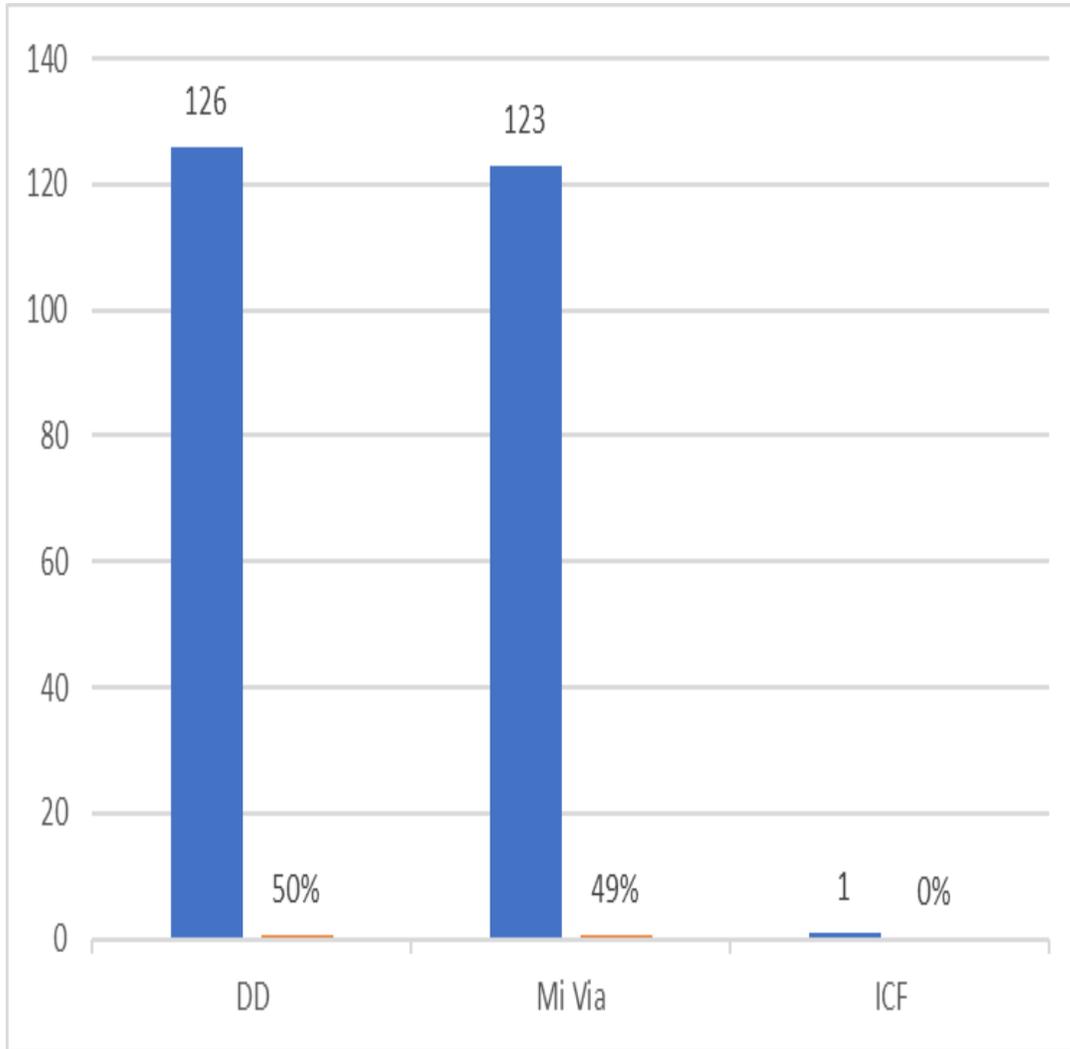
DD WAIVER SUPER ALLOCATION PLAN UPDATE

Waitlist reduced by 41% in 10 months

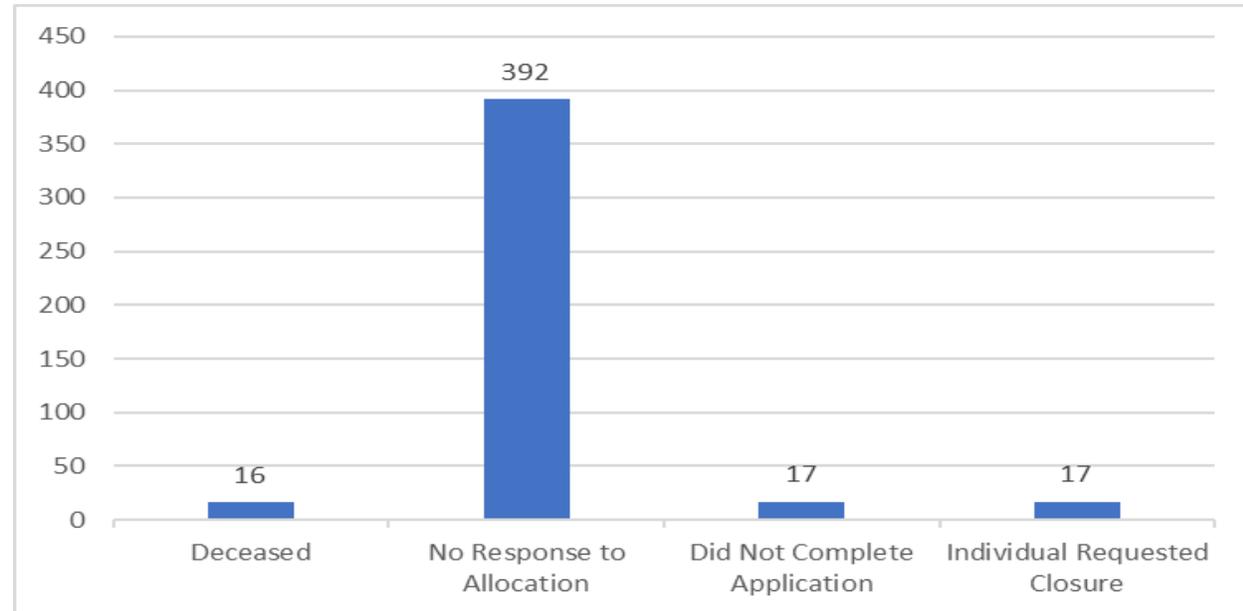
NM Region	Previous Oldest	Current Oldest
Metro	7/29/2008	12/31/2013
Northeast	5/30/2008	12/31/2013
Northwest	10/15/2008	12/31/2013
Southeast	2/18/2009	12/31/2013
Southwest	7/30/2008	12/31/2013



250 ADDITIONAL PEOPLE ARE RECEIVING SERVICES

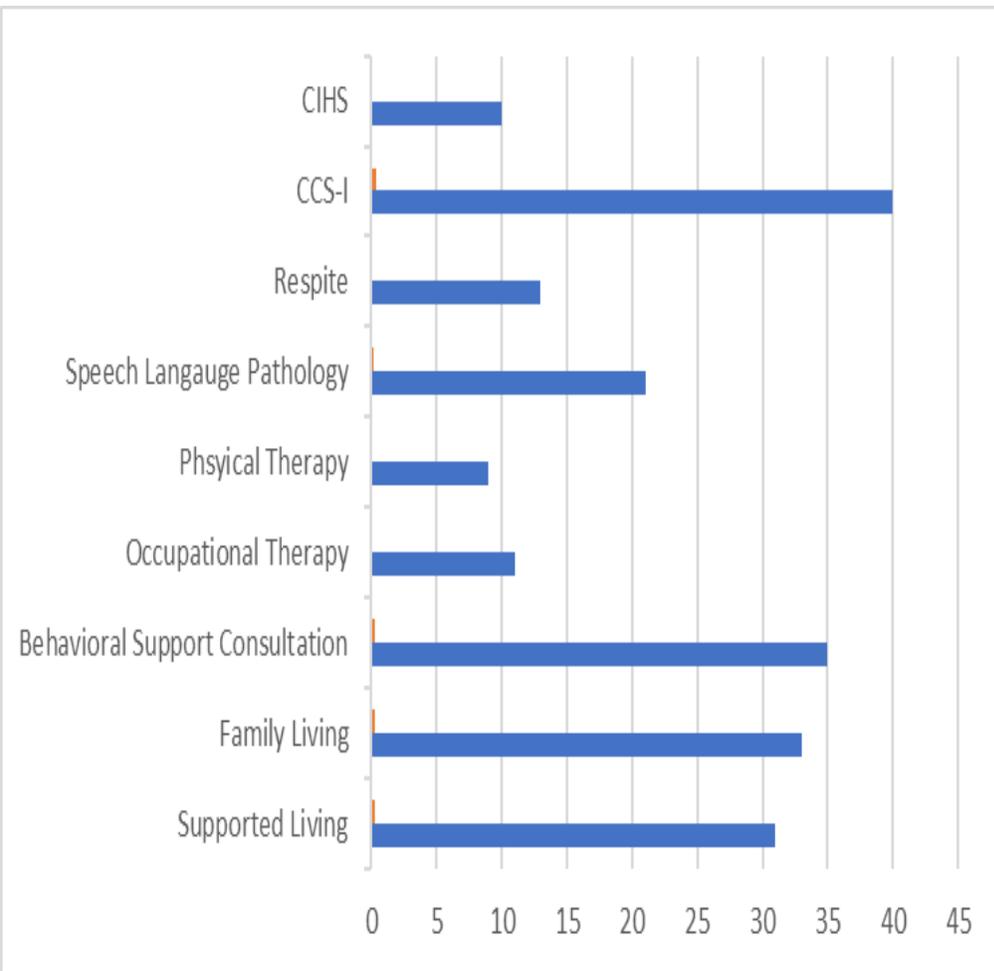


FY22 Allocation Groups	Totals	Acceptance Percentage	Closure Percentage
Number of Allocation Slots Filled	1,047	51%	49%
DDW Letters of Interest Sent	2,068		

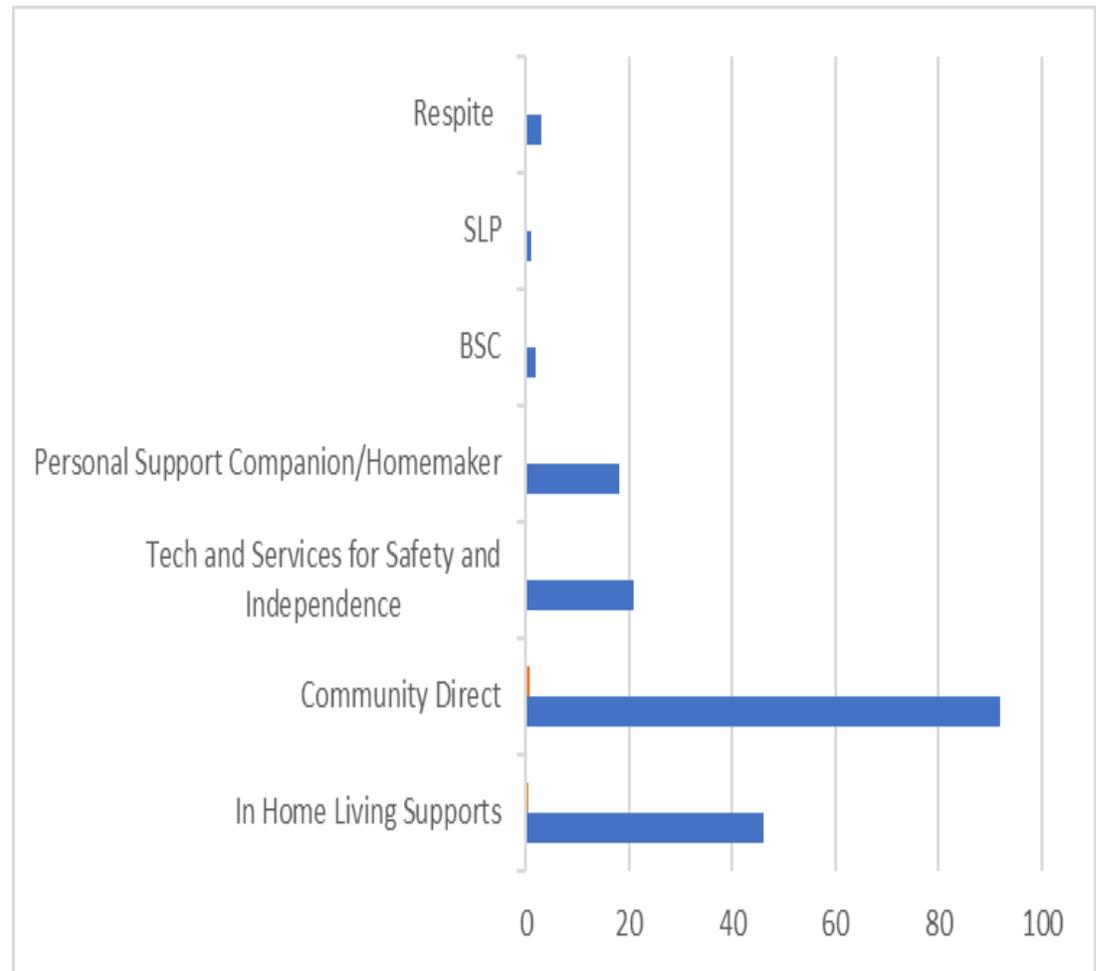


SELECTION OF SERVICES

DD WAIVER- 126 PARTICIPANTS



MI VIA- 123 PARTICIPANTS



SUPPORTED LIVING PROVIDERS CHALLENGES: RECRUITMENT AND RETENTION

Total	1	3	2
Open	0	2	1
Closed	1	1	1
Percentage Closed	100%	33%	50%
	Cibola	McKinley	San Juan
Northwest			

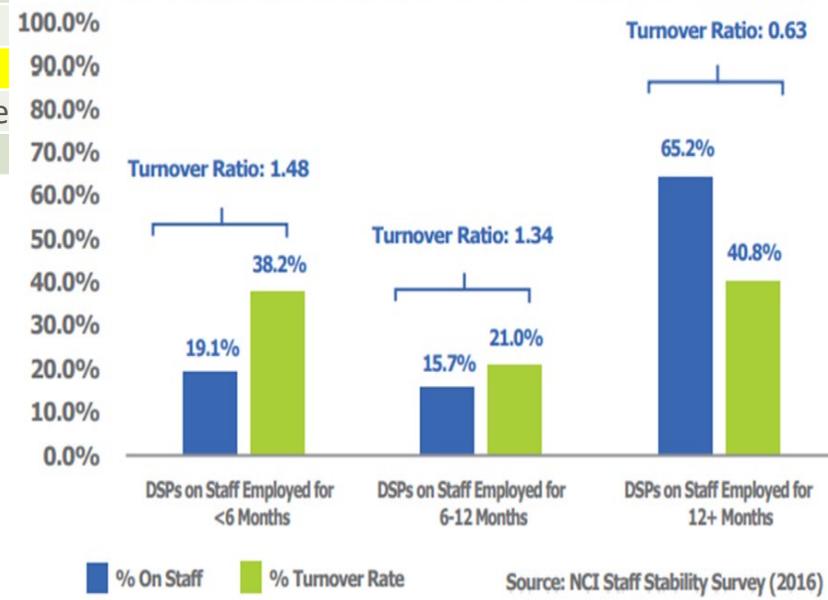
Total	26	14	8	12
Open	13	10	5	8
Closed	10	4	3	4
Percentage Closed	38%	29%	38%	33%
	Bernalillo	Sandoval	Valencia	Torrance
Metro				

Total	0	13	2	0	4	3	0	0
Open	0	11	2	0	4	3	0	0
Closed	0	2	0	0	0	0	0	0
Percentage Closed	100%	15%	0%	100%	0%	0%	100%	100%
	Catron	Dona Ana	Grant	Hidalgo	Luna	Otero	Sierra	Socorro
Southwest								

Total	1	0	1	2	1	2	2	1	1
Open	1	0	0	2	0	2	2	1	1
Closed	0	0	1	0	1	0	0	0	0
Percentage Closed	0%	100%	100%	0%	100%	0%	0%	0%	0%
	Colfax	Harding	Los Alamos	Mora	Rio Arriba	San Miguel	Santa Fe	Taos	Union
Northeast									

Total	1	1	0	1	0	1	1	1	1
Open	1	1	0	0	0	1	1	1	1
Closed	0	0	0	1	0	0	0	0	0
Percentage Closed	0%	0%	100%	100%	100%	0%	0%	0%	0%
	Chaves	Curry	De Baca	Eddy	Guadalupe	Lea	Lincoln	Quay	Roosevelt
Southeast									

DSP Employee Status vs DSP Turnover Rates



Medisked Survey Results on DSP Reasons for Leaving Employment.

Reason for Leaving	Percentage
Inadequate pay	88.54%
Lack of supervisory support/appreciation	42.04%
Insufficient training/guidance	28.66%
Difficulties/stress of work performed	66.88%
Lack of advancement opportunities	49.68%



Investing for tomorrow, delivering today.



MOST SIGNIFICANT PROVIDER SHORTAGES: THERAPIES!

	CLINICAL SERVICES- METRO REGION											
Total Providers	20	12	3	10	21	16	4	9	30	18	7	14
Open	1	0	0	1	1	1	0	0	15	9	4	7
Closed	19	12	3	9	20	15	4	9	15	9	3	7
Percent Closed	95%	100%	100%	90%	95%	94%	100%	100%	50%	50%	43%	50%
	Bernalillo	Sandoval	Torrance	Valencia	Bernalillo	Sandoval	Torrance	Valencia	Bernalillo	Sandoval	Torrance	Valencia
	Occupational Therapy				Physical Therapy				Speech Language Pathology			

DD & MI VIA WAIVER SERVICES FULLY FUNDED 7/1/2022

SERVICE	CURRENT RATE	NEW RATE	PERCENT INCREASE
Speech Language Pathology	\$22.90	\$34.93	52%
Occupational Therapy	\$22.90	\$34.93	52%
Occupational Therapy Assistant	\$18.84	\$23.78	26%
Physical Therapy	\$22.90	\$34.93	52%
Physical Therapy Assistant	\$18.84	\$23.78	26%
Behavioral Support Consultation	\$18.34	\$24.39	34%
Respite (DD)	\$4.67	\$4.82	5%
Adult Nursing Services (RN)	\$19.23	\$24.36	18%
Adult Nursing Services (LPN)	\$13.92	\$16.59	19%
CCS - Individual	\$7.18	\$8.86	24%
Customized In-Home Supports	\$6.87	\$7.99	16%
Family Living	\$119.48	\$152.96	28%

HCBS PROVIDER RATE & CAPACITY STUDY SFY23

Actions	Target Date
Develop/Issuance of RFP	July 2022
Award Vendor: 15- day protest deadline, and final award letter.	August 2022
Begin Rate Study process	September 2022
Conclude Rate Study and Finalize Report	June 2023
Technical Assistance Period	August 2023
Disseminate Document Publicly	September 2023
Use Rate Study for Budget SFY25 Process	September 2023 (Include in FY25 appropriation request)

HOME & COMMUNITY BASED CLAIMING THROUGH MARCH 28, 2022

ARPA SECTION 9817			ARPA SECTION 9817 REINVEST FMAP + 10%		
Description	Total Computable	FFP from ARPA Section 9817 (10% ARPA Fund)	Total Computable	FFP Gain on Reinvestment Paid by 3/28/2022	State Share Charged to 10% ARPA Fund
FFS	\$31,905,211	\$3,159,848	\$-	\$-	\$-
HCBS	\$462,324,592	\$46,232,459	\$57,689,976	\$5,768,998	\$5,865,175
MCO*	\$848,518,949	\$79,577,932	\$78,827,087	\$7,563,006	\$7,628,196
Total	\$1,342,748,752	\$128,970,239*	\$136,517,062**	\$13,332,004	\$13,493,371

- Home and community-based services (HCBS) received 10% additional federal financial participation (FFP) for original payments made from 4/1/2021 to 3/31/2022 with FFP capped at 95%. Thus, HCBS incurred by Medicaid expansion, i.e., the Other Adult Group (OAG), only got additional 5% FFP increase.
- * This is the additional federal revenue that will be held in the non-reverting fund established in the 2022 legislative session for ongoing investment in HCBS improvement efforts including eliminating the waitlist and provider investments.
- ** HSD/DOH and MCO partners have issued the first temporary economic recovery payment as a 15% increase to HCBS providers in 3/2022 totaling over \$136M

TEMPORARY COVID ECONOMIC RECOVERY PAYMENTS TO HOME AND COMMUNITY BASED SERVICE PROVIDERS

\$136 Million in payments made to Home and Community Based Service Providers (HCBS)

- Over \$42 million released to HCBS DD system in March 2022.
- Over \$15 million released to HCBS Mi Via system in May 2022.
- Distributing funds prior to 6/30/22 provides higher federal match and additional \$13.5 million for future match.

One-time recovery payments for all HCBS providers:

- Year 1 – 15% increase: May 1, 2021 – June 30, 2022
- Year 2 – 10% increase: July 1, 2022 – June 30, 2023
- Year 3 – 5% increase: July 1, 2023 – June 30, 2024

PROVIDER TESTIMONIAL: MANDY'S FARM

“We just received our Economic Payment Recovery deposit! With this we will be announcing an additional \$1.50 per hour increase for all of our direct support staff today.

We have been able to give over \$100,000 in bonuses and increase our hourly wage by \$3.00 per hour over the past year.

I wanted to personally thank you for the awareness you brought to our valued workforce these past two years. We still have a long road ahead of us, but this gives some light to quality services for individuals with disabilities in our community and those that support them. Thank you!”

Melissa McCue: Executive Director, Mandy's Farm

[Medicaid-supported home and community health providers to get federal funds | Local News | santafenewmexican.com](#)



THE VOPHAM FAMILY TODAY*

- After years on the waiting list, Daniel began receiving services from Alta Mira.
 - He receives adult nursing, family living, and day supports as he navigates engaging in his community.
 - He enjoys the new friends he has met who share his same interest.
- The Program provides Lan valuable respite time and she now is working full-time.
- She also received text messages from HSD that alerted her to complete her Medicaid and SNAP recertification packet.
 - Due to her change in income, she will be enrolled in the State's Health Insurance Exchange paying a low monthly premium for healthcare.



** Based on a real client, whose name and photo are changed.*



HUMAN
SERVICES
DEPARTMENT



QUESTIONS & COMMENTS

SECRETARY DAVID R. SCRASE, M.D.

INVESTING FOR TOMORROW, DELIVERING TODAY.



HUMAN
SERVICES
DEPARTMENT



APPENDIX

SECRETARY DAVID R. SCRASE, M.D.

INVESTING FOR TOMORROW, DELIVERING TODAY.

FY 2023 MOE ROLL-OFF: 9- VS 4-MONTH

	4-Months			9-Months			9- vs 4-month		
	PH	OAG		PH	OAG		ΔPH	ΔOAG	Total
7/1/2022	495,935	271,068		495,935	271,068		0	0	-
8/1/2022	485,935	261,068		491,490	266,624		5,556	5,556	11,112
9/1/2022	475,935	251,068		487,046	262,179		11,111	11,111	22,222
10/1/2022	465,935	241,068		482,602	257,735		16,667	16,667	33,334
11/1/2022	455,935	231,068		478,157	253,290		22,222	22,222	44,444
12/1/2022	456,600	231,453		473,713	248,846		17,113	17,393	34,506
1/1/2023	457,266	231,839		469,268	244,401		12,003	12,562	24,565
2/1/2023	457,933	232,225		464,824	239,957		6,891	7,732	14,623
3/1/2023	458,600	232,612		460,379	235,513		1,779	2,900	4,679
TOTAL MM							93,342	96,143	189,485

The content of these slides, specifically references to the end of the Public Health Emergency, 6.2% FMAP, and Maintenance of effort requirements and timelines, is subject to change as a result of evolving federal guidance, experience, new information, changes in process requirements, and the availability of resources.

ELIGIBILITY REDETERMINATIONS

- Data Sources Reviewed for Eligibility
 - Internal Revenue Service (IRS)
 - Social Security Administration (SSA, SSI, Title II)
 - Department of Homeland Security (SAVE)
 - Vital Statistics
 - Department of Motor Vehicles (DMV)
 - State Wage Information Collection Agency (SWICA)
 - State Unemployment Compensation
 - State Administered Supplementary Payment Program
 - State General Assistance Programs
 - Supplemental Nutrition Program (SNAP)
 - Temporary Assistance for Needy Families (TANF)
 - Child Support Enforcement Division (CSED)
 - Women, Infants and Children Program (WIC)
 - State Income Tax
 - Work Number (TALX)
 - PARIS (used to determine if federal income from Dept. of Veteran's Affairs, Dept. of Defense, or Office of Personnel Management)

NURSING FACILITY PAYMENTS

	Directed Payment	Amount	Medicaid Program	Calendar Year 2021	Calendar Year 2022	Payment Methodology
1	Nursing Facility Value Based Purchasing (NF VBP)	\$4.5 million	Managed Care (MC)	Payments complete	Pending CMS Approval on 438.6 Directed Payment	Quarterly payments based on quality scorecards issued by HSD's data vendor. The Managed Care Organization (MCO) is to make payment in accordance with the contract terms between the MCO and the nursing facility.
2	Healthcare Quality Surcharge (HCQS)	\$130.9 million	Managed Care (MC)	Payments complete	Approved by CMS	Per Managed Care encounter for per diem and MBI factor Quarterly for quality payment
3	Temporary Nursing Facility (NF), FQHC, Non-emergency medical transportation (NEMT) COVID Increases	\$21.2 million	Managed Care (MC)	N/A	Pending CMS Approval on 438.6 Directed Payment	Rate increase per encounter
	Total	\$156.6 million				

DOH LEADERSHIP TEAM



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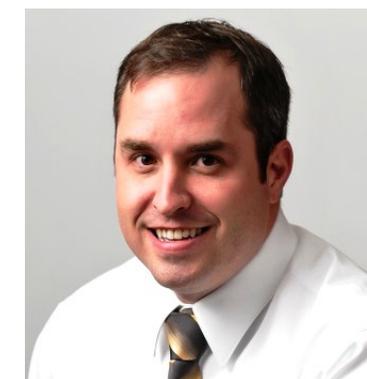
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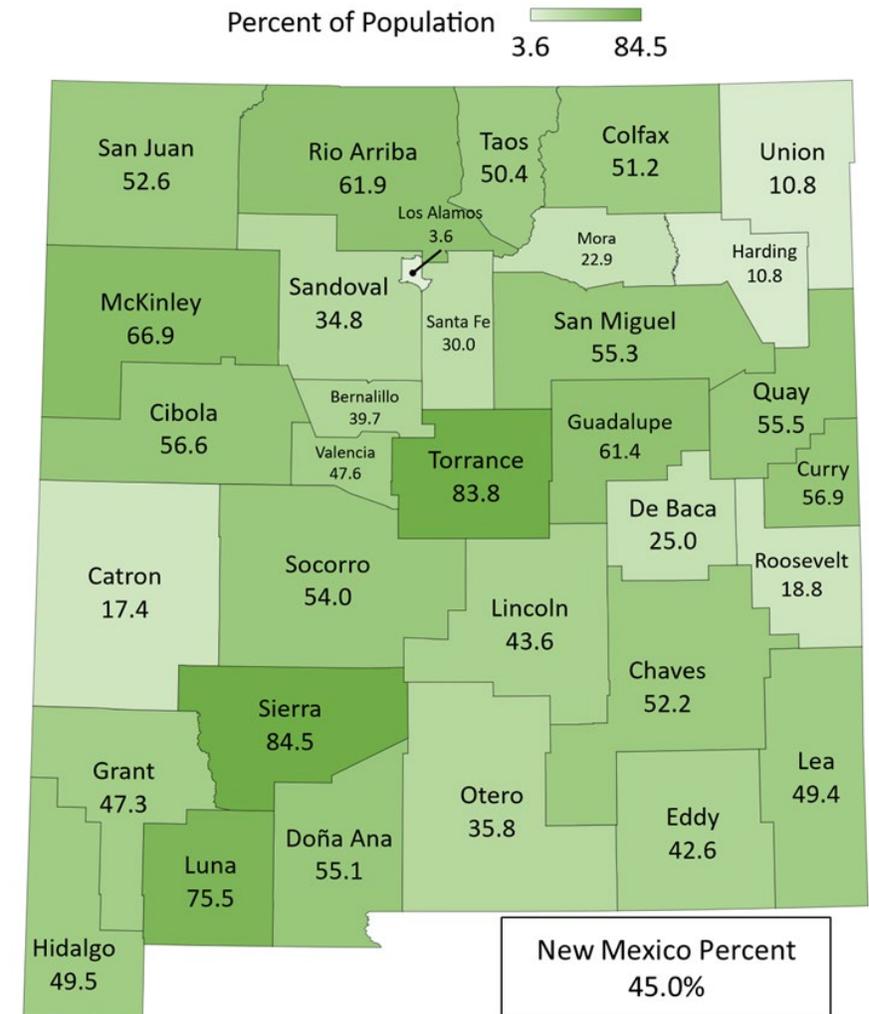
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Investing for tomorrow, delivering today.

GUIDING MEDICAID PRINCIPLES

- NM has highest population percentage covered by Medicaid, creating greater HSD responsibility to our healthcare market and to fair payments.
- Overwhelming majority of federal Medicaid dollars must be spent on providing direct services to Medicaid beneficiaries.
- HSD aims to optimally leverage federal funds to improve the health of New Mexicans, while maintaining strict compliance with the law.

Medicaid & CHIP Recipients as a Percentage of Population by County as of October 2021



HOSPITAL ACCESS PAYMENT
(HAP) AND
TARGETED ACCESS PAYMENT
(TAP)

PRE 2020 SAFETY NET CARE POOL (SNCP) PROGRAM

THE SAFETY NET CARE POOL (SNCP) PROGRAM

- Established in statute – NMSA 27-5-6.1
- Approved in Centennial Care 2.0 1115 waiver by CMS
- Supported by a 1/12th GRT tax on the counties
 - Creates the base of the payments for the SNCP Programs

1115 DEFINED ELIGIBLE HOSPITAL CLASSES

Hospital Size	Number of beds	UC Funding Allocation (%)
Smallest hospitals	30 or fewer hospital beds	60% of available funding
Small hospitals	31-100 hospital beds	30% of available funding
Medium hospitals	101-200 hospital beds	10% of available funding
Large hospitals	201-300 hospital beds	0%
Largest hospitals	more than 301 hospital beds	0%

PRE 2020 SAFETY NET CARE POOL (SNCP) PROGRAM

UNCOMPENSATED CARE (UC)

- CMS previously approved a budget that paid SNCP hospitals for UC
 - US budget for 2019 was \$69M
 - UC budget for 2020 was \$0.00
- CMS required a transition in UC applications to the S-10 Worksheet
 - Determined this requirement would decrease UC payments by 50%
 - Concern for hospitals - HSD and NMHA worked to design an alternative

HOSPITAL QUALITY INCENTIVE INITIATIVE (HQII)

- CMS approved program rewarding SNCP hospitals for improved quality
- CMS has approved the program through 2021
- Budget is set for \$12 million for 2020 and 2021
- Dollars will be reallocated into another supplemental payment to be determined in consultation with hospitals

HOSPITAL ACCESS PAYMENT (HAP) AND TARGETED ACCESS PAYMENT (TAP)

Year	Program History	
2019	<ul style="list-style-type: none"> - Safety Net Care Pool (SNCP) Hospital Uncompensated Care (UC) program model was required to end December 31, 2019 - In accordance with the 1115 waiver for the Centennial Care program - Requiring a transition of the program to other supplemental payments; these payments must be utilization based 	- \$81M
2020	<ul style="list-style-type: none"> - In CY2020 with the pool of dollars previously allocated to the SNCP HSD established: - Hospital Access Payment (HAP) - A Directed Payment program based on inpatient and outpatient discharges - Target Access Payment (TAP) - A payment program based on remaining Upper Payment Limit (UPL) room based on prior year UPL 	<ul style="list-style-type: none"> - \$58 (HAP) - \$23 (TAP)

HOSPITAL ACCESS PAYMENT (HAP)

▪ Hospital Access Payment

- In accordance with federal rule 42 CFR 438.60, the HAP program is paid through the Centennial Care Managed Care Organizations (MCOs); payments are not made directly by HSD/MAD.

▪ Calculation

- HAP program payments are calculated based on each MCO's member utilization, at each hospital, for both inpatient and outpatient discharges.
- Each discharge has an additional add-on that is paid based on a calculated formula. The formula is as follows:

$$\text{SNCP Class Allocated Amount} / \text{SNCP Class Medicaid Discharges} = \text{Add-on Amount per Discharge}$$

- The add-on payment amount changes each quarter.
- HAP is based on actual utilization, with no reconciliation of funds (unlike the SNCP program design).

HOSPITAL ACCESS PAYMENT (HAP)

- The inpatient and outpatient services subject to this directed payment are authorized in the State plan and the managed care delivery system for these services is authorized under the Centennial Care 2.0 section 1115 demonstration authority.
- SNCP hospitals are defined in the Centennial Care 2.0 1115 demonstration effective January 1, 2019 through December 31, 2023. The list of impacted hospitals is included in the Standard Terms and Conditions – Attachment E for the 1115 waiver.

SNCP Classes	Hospital Beds
Smallest	30 or fewer
Small	31-100
Medium	101-200
Large	201-300
Largest hospitals	301 or more

LIST OF SAFETY NET CARE POOL HOSPITALS BY SIZE

Smallest Hospitals (30 or fewer)	Small Hospitals (30-100)	Medium Hospitals (101-200)	Large Hospitals (201-300)	Largest Hospitals (300+)
Cibola General Hospital	Alta Vista Regional Hospital	Eastern NM MC	University of New Mexico Hospital* * Does not receive HAP/TAP Funding	
Dan C Trigg Memorial Hospital	Artesia General Hospital	Memorial MC		
Guadalupe Country Hospital	PHS Espanola Hospital	Mountain View Regional MC		
Holy Cross Hospital	Gerald Champion Regional MC	San Juan Regional MC		
Lincoln County MC	Gila Regional Medical Center	St. Vincent Regional MC		
Mimbres Memorial Hospital	Los Alamos Medical Center	Presbyterian Santa Fe		
Miners' Colfax MC	Plains Regional MC			
Nor-Lea General Hospital	Lea Regional Hospital			
Roosevelt General Hospital	Rehoboth McKinley Christian HC			
Lovelace Regional Hospital - Roswell	Carlsbad MC			
Sierra Vista Hospital				
Socorro General Hospital				
Union County General Hospital				

TARGETED ACCESS PAYMENT (TAP)

TARGETED ACCESS PAYMENT (TAP)

Targeted Access Payment

- The TAP program was designed to alleviate the discrepancy between the Hospital Access Payment (HAP) and the CY2019 Uncompensated Care (UC) payment under the former SNCP model.
- Unlike the HAP program, HSD makes payments under TAP directly to the hospitals.

CMS Emergency State Plan Amendment (SPA) 20-0008 - Approved	Quarterly supplemental targeted access payments is based on New Mexico's most recent quarterly Upper Payment Limit (UPL) demonstration for a specified period within the Public Health Emergency (PHE).
CMS State Plan Amendment (SPA) 20-0024 - Approved	Targeted Access Payment (TAP) - <i>annual</i> payment based on the State Fiscal Year (SFY) UPL demonstration for the remainder of the PHE.
CMS State Plan Amendment (SPA) 21-0006 - Approved	Targeted Access Payment (TAP) - <i>annual</i> payment based on the State Fiscal Year (SFY) UPL demonstration upon the end of the PHE.
CMS State Plan Amendment (SPA) 22-0005 - Approved	Targeted Access Payment (TAP) - <i>annual</i> payment based on the State Fiscal Year (SFY) UPL demonstration upon the end of the PHE.

TARGETED ACCESS PAYMENT (TAP)

- Beginning in 2021, the amount of supplemental targeted access payments is based on New Mexico's most recent upper payment limit (UPL) demonstration for the State Fiscal Year (SFY) and will be paid annually to Safety-Net Care Pool (SNCP) hospitals.
- The payment amount will be based on the demonstrated UPL Room and paid to the hospitals if it falls within the UPL Gap of the respective hospital class as determined by the most recent UPL demonstration for the SFY.

TARGETED ACCESS PAYMENT (TAP) – PAYMENT DISTRIBUTION METHODOLOGY

- Targeted Access Payments is calculated and paid annually following the end of the state fiscal year (June 30). HSD expects to make these payments before the end of the calendar year.
- Providers will be grouped into one of three categories based on their ownership structure as follows:
 1. Privately Owned or Operated Facilities
 2. Non-State Government-Owned or Operated Facilities
 3. State Government-Owned or Operated Facilities
- Once facilities are classified into their ownership group, they are evaluated to determine if they are eligible to receive an Inpatient (IP) TAP. If not eligible for IP the provider will be evaluated for Outpatient (OP) TAP. To qualify a provider must meet the following criteria:
 1. Be a Safety Net Care Pool (SNCP) provider
 2. Have inpatient FFS utilization in the most recent Upper Payment Limit Demonstration
 3. Have a positive UPL in the most recent UPL demonstration
 4. Belong to a group that has UPL room to receive the payment

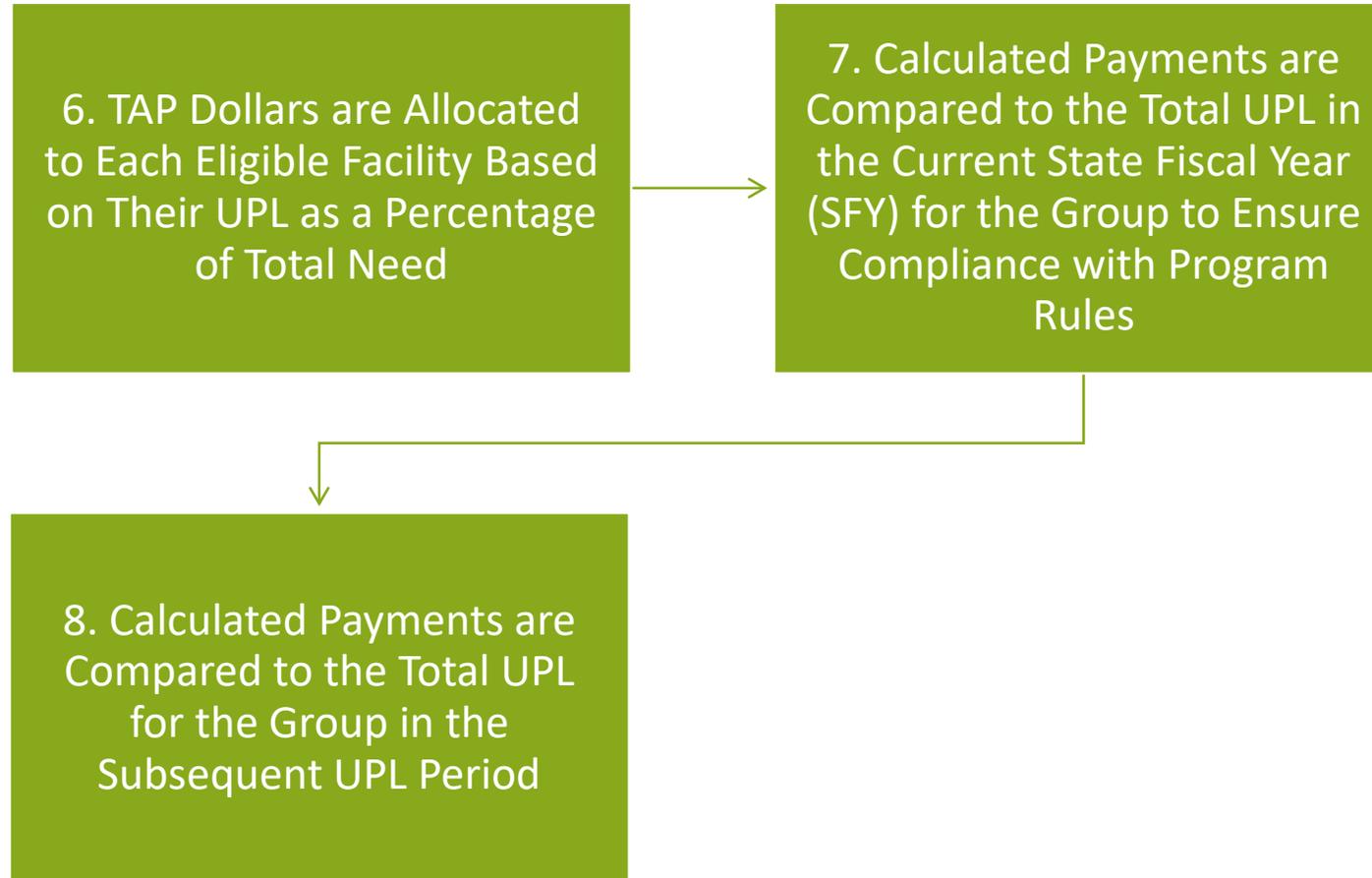
TARGETED ACCESS PAYMENT (TAP) – DISTRIBUTION METHODOLOGY

- Providers that are eligible for either an IP or OP TAP will have their respective UPL's utilized to pro-rate the available TAP budget. To achieve this each provider's UPL will be added to the other eligible provider UPL's to determine the total need in the population. The individual provider's need will be divided by the total need to arrive at the facility specific percentage of total need. This percentage will become the factor utilized to allocate TAP funds to each facility.
- After each facility TAP has been calculated, the payments for the providers in each ownership class will be compared to the estimated UPL for the subsequent state fiscal year. If the ownership class does not have sufficient UPL room to accept the funds in the subsequent fiscal year, the excess payments will be re-allocated to providers with room to accept the funds.

PAYMENT DETERMINATION SEQUENCE



PAYMENT DETERMINATION SEQUENCE CONT.



EXAMPLE TAP CALCULATION

- ABC Hospital is a SNCP provider and has inpatient FFS utilization and a positive **Inpatient** upper payment limit (Medicaid has not paid as much a Medicare would have for the same services) of \$10,000.
- MNO Hospital is a SNCP provider that does not have inpatient FFS utilization but does have outpatient FFS utilization and a positive **Outpatient** UPL of \$20,000.
- XYZ Hospital is an SNCP provider with inpatient FFS utilization and an **Inpatient** negative UPL (Medicaid has paid more than Medicare would for the same service) of \$1,000. They do have OP FFS utilization and a positive **Outpatient** UPL of \$5,000.
- Total UPL room in the example is \$35,000

EXAMPLE TAP CALCULATION CONT.

- Given the fact pattern above ABC Hospital would be allocated 28.6% of total funds (\$10,000 / \$35,000). The dollars paid would be attributed to **inpatient** for reporting purposes.
- MNO Hospital would receive an **outpatient** payment equivalent to 57.1% of the total funds available (\$20,000 / \$35,000).
- XYZ Hospital would also receive an **outpatient** payment, however their allocation of funds would be 14.3% (\$5,000 / \$35,000).

HOSPITAL QUALITY IMPROVEMENT INITIATIVE (HQII)

- The HQII pool was available in demonstration years 6 through 8 to incentivize hospitals' efforts to meaningfully improve the health and quality of care of the Medicaid and uninsured individuals that they serve.
- **Calculation**
 - Each hospital participating has submitted measures and has been paid their annual payment for DY 8 in the total amount of \$12,000,000.
 - HQII payments are made annually (April).
 - These payments are paid through the FFS remits to providers
- To qualify for a HQII payment a provider must meet the following criteria
 1. Be an SNCP provider that elected to participate in the initial year
 2. Set target goals annually that will be used to compare against occurrences in the facility (Domain 1 measures)
 3. Meet or exceed the targets mentioned in bullet 2.
 4. Each target that is not met will have associated monies redistributed to eligible providers thru Domain 2 measures.

	DY 6 (CY 2019)	DY 7 (CY 2020)	DY 8 (CY 2021)
UC Pool	\$68,889,323	\$0 or TBD/S-10	\$0 or TBD/S-10
HQII Pool	\$12,000,000	\$12,000,000	\$12,000,000

COMMUNITY TRIBAL HOSPITAL METHODOLOGY

- Payment made to ensure access to hospitals with disproportionate Native American Utilization
- Calculation**
 - The uniform percent increase to MCO-contracted rates for inpatient and outpatient services
 - Provider Class 1:** The High Total Medicaid and High Native American Utilization class are hospitals having over 44% of Medicaid to total and over 22% of percentage of Native American utilization to total Medicaid.
 - Provider Class 2:** The High Native American Utilization class are hospitals having over 18% of Native American utilization to total Medicaid.

Provider Class	Hospitals	Uniform Percent Increase
High Total Medicaid and High Native American Utilization	<ul style="list-style-type: none"> REHOBOTH MCKINLEY CHRISTIAN HOSPITAL CIBOLA GENERAL HOSPITAL SAN JUAN REGIONAL MEDICAL CENTER 	33%
High Native American Utilization	<ul style="list-style-type: none"> SAN JUAN REGIONAL REHAB HOSPITAL UNM SANDOVAL REGIONAL MEDICAL CENTER LINCOLN COUNTY MEDICAL CENTER 	13%

DISPROPORTIONATE SHARE HOSPITALS (DSH)

- The DSH program was established to assist hospitals that serve a disproportionate number of low-income patients including Medicaid and the Uninsured.
- Determination of eligible providers occurs annually based on questionnaires completed by all hospitals in the state.
 - To be deemed eligible a provider must meet the following criteria:
 - 1. Have a Medicaid Utilization Ratio greater than the state average OR a Low-Income Utilization Ratio greater than 25%.
 - 2. Have at least 2 obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to eligible recipients
 - 3. Demonstrate the facility has unmet financial needs arising from the care of the Medicaid and Uninsured populations (DSH limit)
- **Calculation**
 - The program has two components. The initial payments are calculated annually based on the state fiscal year, and the examination portion occurs 3 years after the conclusion of the state fiscal year.
- Providers deemed eligible will be placed into 1 of 3 pools (Teaching, Non-Teaching DRG, and PPS-Exempt (TEFRA)).
- Quarterly payments made to eligible providers are based on Medicaid discharges in each pool. Providers receive a pro-rated amount of DSH funds based on their discharges as a percent to total discharges in their respective pools.
- DSH examinations are performed 3 years after the close of the SFY. These examinations compare the providers interim payments to the total need they had for servicing the Medicaid and Uninsured populations.
 - Providers that are deemed to have been overpaid are required to pay back DSH funds equal to the amount of their overpayment (repayment cannot exceed their interim DSH funds received)
 - Any reverted funds are allocated to providers with remaining need.

GRADUATE MEDICAL EDUCATION (GME)

- The GME program is designed to pay hospitals for the residents they train each year.
- **Calculation**
 - Graduate Medical Education (GME) payments are calculated annually at the beginning of each state fiscal year, utilizing resident counts reported to the state annually prior to December 31.
 - These counts are based on the most recently completed SFY, and account for expansion FTE's that will be in the program, and not already counted in the FTEs in the facility submissions.
 - The residents must work in either a hospital or FQHC/RHC setting, and part of an ACGME accredited program in order to be counted.
 - Residents are also classified into four groups
 - 1. Existing Primary Care FTE's
 - 2. Existing Other FTE's
 - 3. Expansion Primary Care FTE's and
 - 4. Expansion Other FTE's. Each cohort has a different per FTE payment rate which can be inflated annually.
- **Timeline**
 - Payments are made to each participating provider in four quarterly amounts at the beginning of the quarter. Total payments are limited to a total FTE cap of 510 (excluding the state teaching hospital).

GRADUATE MEDICAL EDUCATION (GME)

- Existing resident FTEs are allocated \$50,000 per year in GME funding
- Expansion FTEs in the Primary Care and Psychiatric ACGME programs are allocated \$100,000 annually
- Expansion FTEs are capped to limit the annual increase in total GME funds paid each year. The cap in SFY 2021 is 2 FTEs and increases annually until SFY 2025 when the cap is 101.
- Payments made are not subject to a retroactive settlement and are considered final at the time of payment.

INDIRECT MEDICAL EDUCATION (IME)

- Indirect Medical Education (IME) payments are made on a quarterly basis, with a final settlement occurring on the cost report. Interim payments are based on requests made by participating hospitals following each calendar quarter and are based on Medicaid inpatient utilization in the facility, as well as hospital size (beds) and residents participating in an ACGME accredited program. (See NMAC 8.311.3.12.F.(6) for the full calculation.)