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### Special COVID-19 Letter of Direction #24-1

**Date:** June 14, 2023

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

**From:** Lorelei Kellogg, Acting Director, Medical Assistance Division 

**Subject:** COVID-19 Nursing Facility Payment Rates  
Effective January 1, 2022, through June 30, 2022  
Repeal & Replace LOD # 24

**Title:** 2022 COVID-19 Nursing Facility Hospice Payment Rate Increases

The purpose of this Letter of Direction (LOD) is intended to repeal and replace Special COVID-19 LOD #24, which was issued by the Human Services Department Medical Assistance Division (HSD/MAD) on August 16, 2022. This revised LOD extends implementation of the 8.1 percent temporary payment increase related to the national public health emergency associated with the 2019 Novel Coronavirus (COVID-19) for Nursing Facility-Hospice claims for dates of service January 1, 2022, through June 30, 2022. The Federally Qualified Health Centers (FQHCs) and Non-Emergency Medical Transportation (NEMT) providers 8.1% rate increase was implemented and has sunset.

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 Nursing Facilities (NF), FQHC's, and NEMT's. 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 Fee-For-Service (FFS) program. The different reimbursement methodologies were taken into consideration in determining these rate increases. HSD is not directing the Managed Care Organizations (MCOs) to revise their payment methodologies, however, 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 received an 8.1 percent temporary increase for all short term skilled and custodial nursing facility services between January 1, 2022, through June 30, 2022. The 8.1 percent increase was applied to the total payments made to these providers for dates of service between January 1, 2022, through June 30, 2022. Prior LOD #24, did not include Nursing Facilities custodial Hospice claims.

**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. FQHC rate increase has sunset.

**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. NEMT rate increase has sunset.

**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 was completed at 90 days and 120 days to review claims processed for Nursing Facilities Hospice claims from January 1, 2022 through June 30, 2022. HSD's direction to the MCOs is to provide updates on the status of implementation and claim reprocessing to HSD every Friday by 5 pm for Nursing Facilities. The FQHC and Non-Emergency Medical Transportation updates to HSD will sunset on May 19, 2023

This Special COVID-19 Letter of Direction will sunset upon completion of claims processing for Nursing Facilities.