



HEALTH CARE
AUTHORITY



LFC: RATE INCREASES & MEDICAID PERFORMANCE

MAY 15, 2024

CABINET SECRETARY KARI ARMIJO

INVESTING FOR TOMORROW, DELIVERING TODAY.

TOPICS

- Medicaid Enrollment Overview
- Medicaid Public Health Emergency Unwinding
- Turquoise Care MCO Accountability
- Medicaid Rate Increases
- Using Data to Drive Performance



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HEALTH CARE
AUTHORITY

Investing for tomorrow, delivering today.



HEALTH CARE
AUTHORITY

MISSION

We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.

VISION

Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.

GOALS



LEVERAGE purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



BUILD the best team in state government by supporting employees' continuous growth and wellness.



ACHIEVE health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.

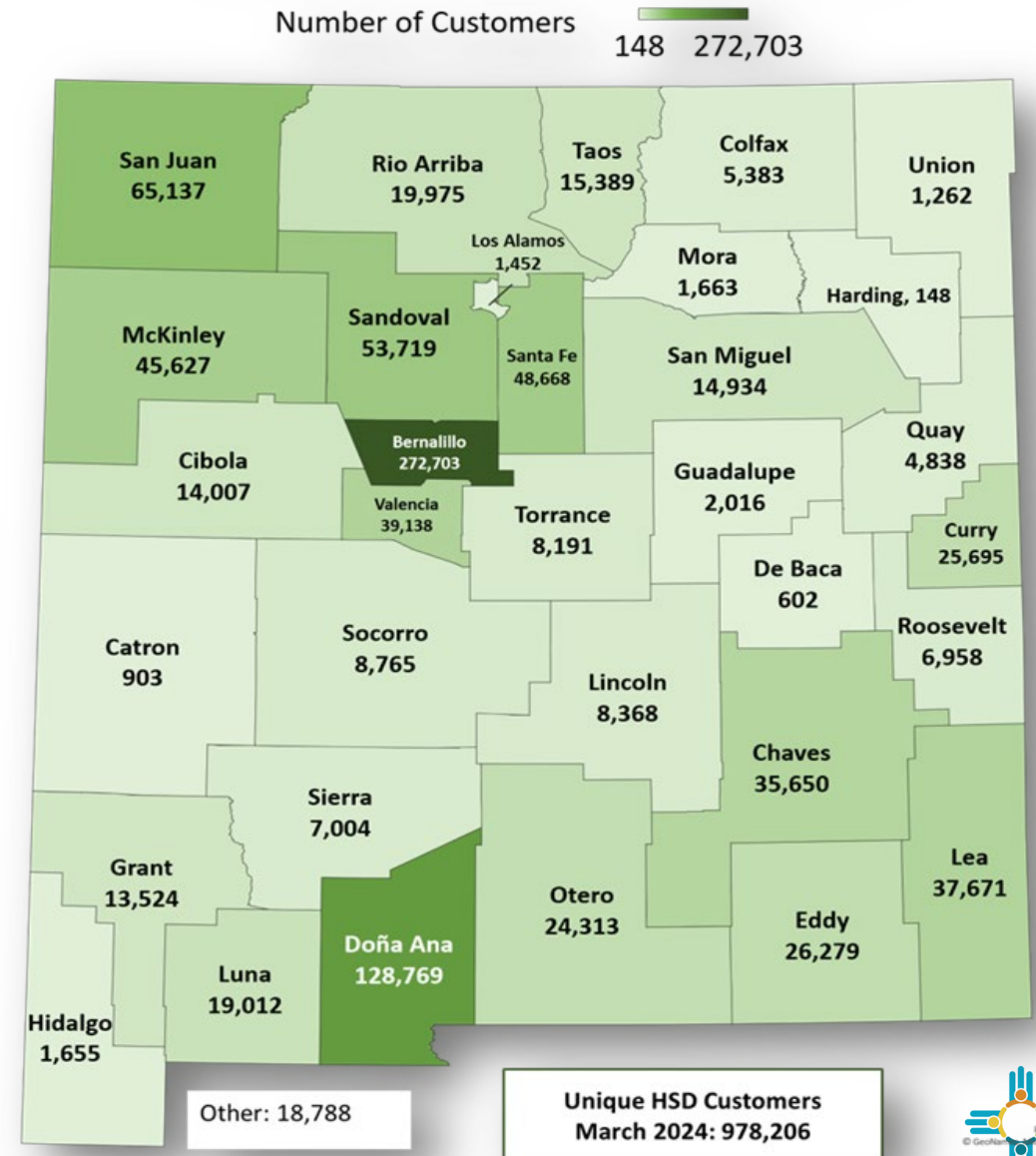


IMPLEMENT innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

MEDICAID ENROLLMENT OVERVIEW

Unique HSD Customers, March 2024

- March 2024 projection: 895,092
 - April 2023 peak 1,005,072 prior to Medicaid unwinding (48% of New Mexicans)
 - Medicaid currently covers 43% of New Mexicans and 60% of all NM children
- New Mexicans who lost coverage during unwinding: 109,980
 - April 2023 pre-unwinding projection range was 85,000-110,000
 - Reenrollment rate ~45%



MEDICAID UNWINDING UPDATE

- Medicaid unwinding is complete; HCA is timely with Medicaid applications and renewals
- From April 1, 2023 - March 31, 2024, there were 302,474 individual Medicaid closures.
 - 134,199 of those closures have re-enrolled in the Medicaid program (44.4%)
 - Highest re-enrollment rates among adults and Home & Community-Based Waiver programs
- To ease Medicaid renewals for Medicaid members, HCA worked with CMS to:
 - Renew Medicaid eligibility for beneficiaries with incomes at or below 100% of Federal Poverty Level.
 - Renew Individuals based on SNAP eligibility.
 - Reinstate eligibility for members procedurally closed who are redetermined eligible within 90 days.
 - Reinstate eligibility for most New Mexicans enrolled in a DD waiver program (pending CMS approval).
 - Reinstate eligibility for children ages 0-6 who were procedurally closed (pending CMS approval).
- HCA expects 2.7% annual enrollment growth over the next 12-month period, trending slightly below pre-pandemic growth.

Eligibility Category	Total Closures	Total Re-enrollments	Difference	% Re-enrolled
Children	91,578	42,972	48,606	46.9%
Adults	160,781	76,898	83,883	47.8%
Pregnancy	2,351	463	1,888	19.7%
Family Planning	23,972	3,067	20,905	12.8%
Medicare Savings Plans	18,540	8,474	10,066	45.71%
Home & Community Based Waivers	1,684	1156	528	68.7%
Institutional Care	1374	418	956	30.4%
Other	2,194	751	1,443	34.2%
TOTALS	302,474	134,199	168,275	44.4%

Note: Preliminary data as of March 31, 2024 and does not include outcomes of renewals after that date.



TURQUOISE CARE STARTS JULY 1

Open Enrollment closes May 31

Enrollees can use chat on the [Turquoise Care Web Page](#), call, or return the yellow envelope in mail to select one of the 4 Medicaid Health Plan options:

- BlueCross BlueShield
- Molina Health Care
- Presbyterian
- United Healthcare

Turquoise Care Roadshows (3/27 – 4/30)

Medicaid staff traveled the state to hold 24 community education events in:

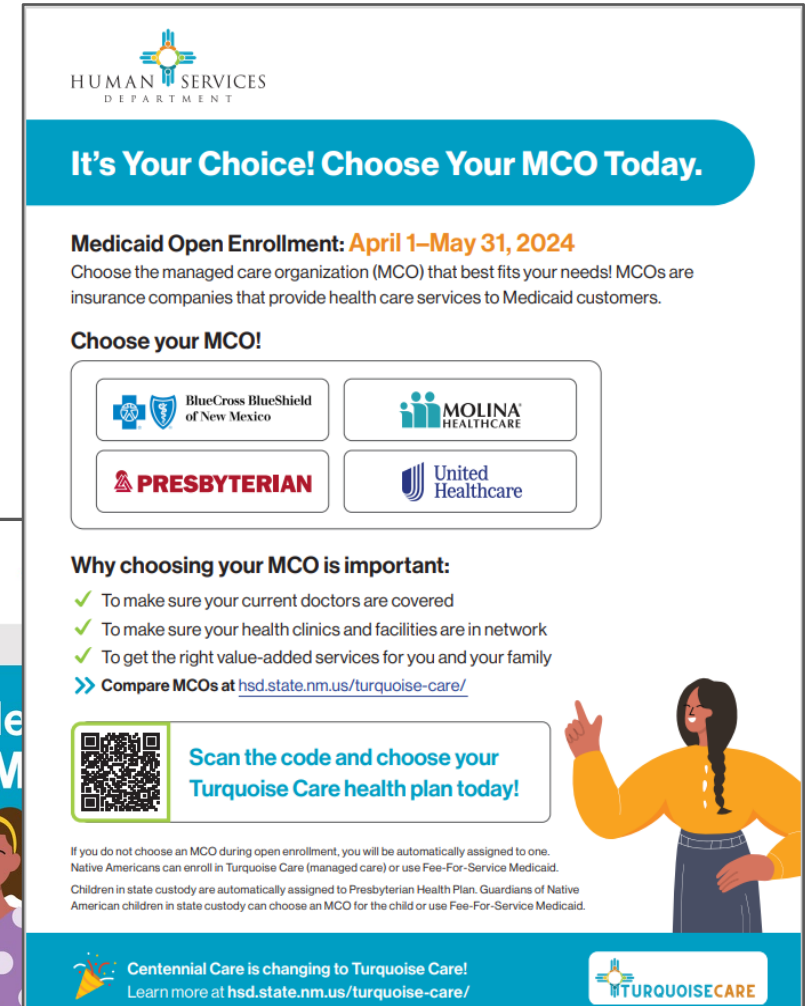
- | | | | |
|---------------|-------------------|--------------------|--------------|
| - Alamogordo | - Albuquerque (2) | - Bernalillo | - Carlsbad |
| - Clovis | - Deming | - Farmington | - Dulce |
| - Gallup | - Grants | - Hobbs | - Las Cruces |
| - Las Vegas | - Los Lunas | - Nambe Pueblo | - Raton |
| - Rio Rancho | - Roswell | - Santa Fe | - Shiprock |
| - Silver City | - Taos Pueblo | - Zuni Reservation | |

Media coverage

[KKOB: Interview with Dana Flannery](#)

[KQRE: Medicaid open enrollment period happening now in New Mexico](#)

FLYER




HUMAN SERVICES DEPARTMENT


It's Your Choice! Choose Your MCO Today.

Medicaid Open Enrollment: April 1–May 31, 2024
Choose the managed care organization (MCO) that best fits your needs! MCOs are insurance companies that provide health care services to Medicaid customers.


Choose your MCO!




BlueCross BlueShield
of New Mexico



MOLINA
HEALTHCARE



PRESBYTERIAN




United
Healthcare


Why choosing your MCO is important:

- ✓ To make sure your current doctors are covered
- ✓ To make sure your health clinics and facilities are in network
- ✓ To get the right value-added services for you and your family

» Compare MCOs at hsd.state.nm.us/turquoise-care/



Scan the code and choose your
Turquoise Care health plan today!



If you do not choose an MCO during open enrollment, you will be automatically assigned to one. Native Americans can enroll in Turquoise Care (managed care) or use Fee-For-Service Medicaid. Children in state custody are automatically assigned to Presbyterian Health Plan. Guardians of Native American children in state custody can choose an MCO for the child or use Fee-For-Service Medicaid.

Centennial Care is changing to Turquoise Care!
Learn more at hsd.state.nm.us/turquoise-care/

TURQUOISE CARE

SOCIAL MEDIA



HUMAN SERVICES DEPARTMENT

¡Es hora de que elijas tu MCO!

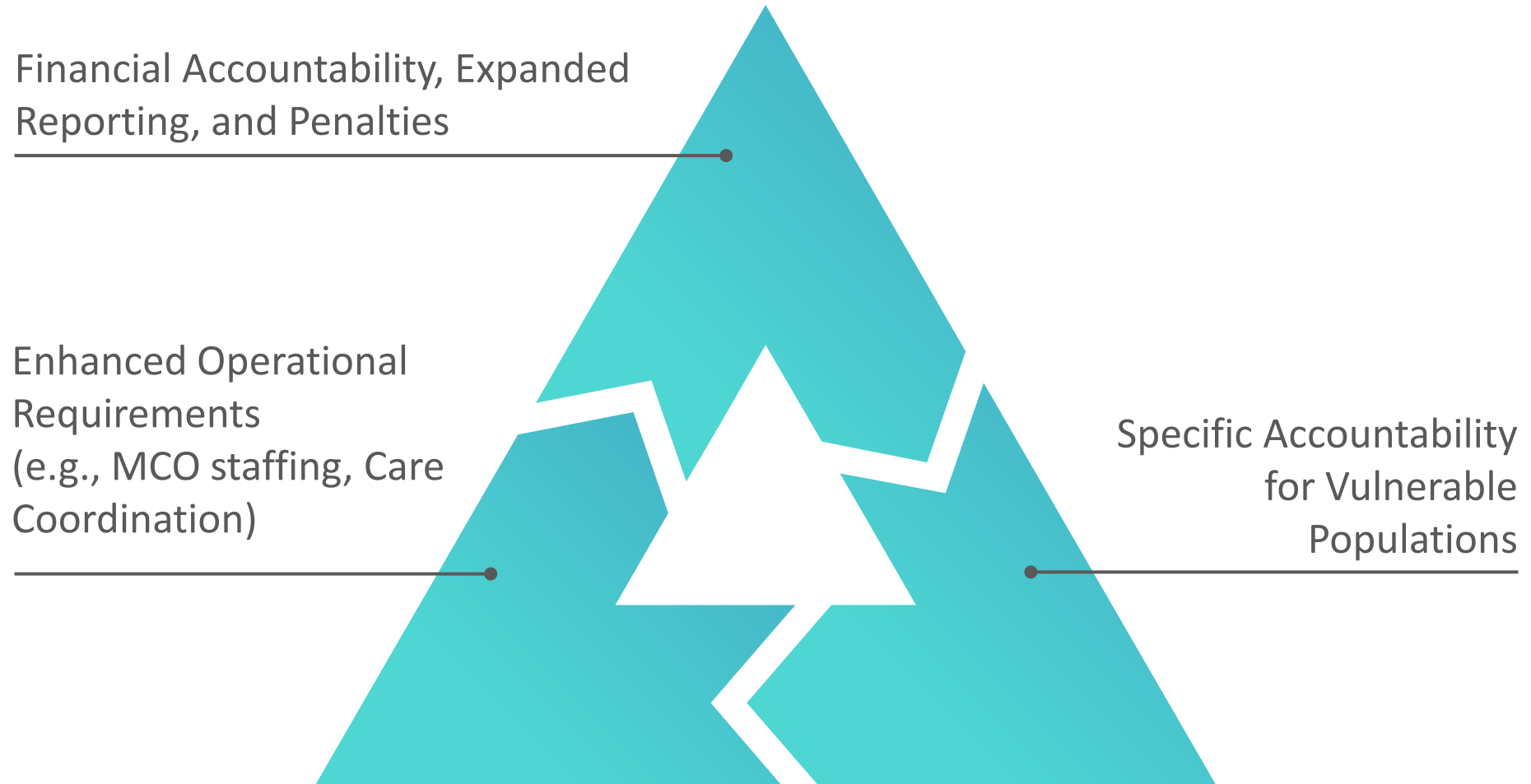
Inscripción abierta de Medicaid: del 1.º de abril al 31 de mayo de 2024

Aprende más en hsd.state.nm.us/turquoise-care/





TURQUOISE CARE MCO ACCOUNTABILITY

Main Categories of MCO Oversight





MCO CONTRACT IMPROVEMENTS

Centennial Care 2.0 vs Turquoise Care

Area of Accountability		
Provider Reimbursement Requirements	<ul style="list-style-type: none"> Limited specificity on how providers should be reimbursed 	<ul style="list-style-type: none"> Required reimbursement at or above the approved Medicaid fee schedule
Performance Penalties	<ul style="list-style-type: none"> Failure to meet Performance Measures = 2% of annual capitation. Performance measures based on regional averages. Failure to meet Delivery System Improvement Performance Targets = penalty of 1.5% of annual capitation. 	<ul style="list-style-type: none"> Failure to meet Performance Measure targets = 3% of annual capitation Targets based on national averages. Failure to meet Delivery System Improvement Performance Targets = penalty of 2% of annual capitation.
Minimum Medical Loss Ratio	<ul style="list-style-type: none"> Medical Loss Ratio of 88% 	<ul style="list-style-type: none"> Medical Loss Ratio of 90% (MLR = the portion of capitation payments that are spent on clinical services and quality improvement. Federal requirement is 85%.)
Community Reinvestment	<ul style="list-style-type: none"> Minimal requirements 	<ul style="list-style-type: none"> MCOs must contribute 5% of after-tax underwriting margin (profit) to BH-focused community reinvestments
Care Coordination	<ul style="list-style-type: none"> Emphasis on care coordination performed by the MCO Care Coordination levels primarily defined by medical complexity or functional impairment 	<ul style="list-style-type: none"> Emphasis on care coordination delivered by community-based individuals and entities Care Coordination levels defined by high cost/high need, medical complexity or population vulnerability (i.e., pregnant women, justice-involved, CARA) Additional reporting including emphasis on vulnerable populations and member outcomes

MCO CONTRACT IMPROVEMENTS

Centennial Care 2.0 vs Turquoise Care

Area of Accountability		
Provider Network & Access to Care Requirements	<ul style="list-style-type: none"> • Specific only to defined providers and services 	<ul style="list-style-type: none"> • Emphasis on improving access to community-based models of care (Certified Community Behavioral Health Clinics, High-Fidelity Wraparound BH) • Time and distance standards • Appointment standards for primary care, dental care, BH, urgent primary and BH care, and maternity care • New requirements for provider training • New requirements to ensure accuracy of provider directory information • Increased accessibility requirements: Non-emergency medical transportation, distance to 24/7 pharmacies, PCP choice • Secret shopper evaluations of member access
Children in State Custody	<ul style="list-style-type: none"> • Accountability spread across all MCOs 	<ul style="list-style-type: none"> • Single MCO for Children in State Custody (Presbyterian)

THANK YOU FOR SUPPORTING \$2.5B IN MEDICAID INCREASES SINCE 2019 THAT SUPPORT PROVIDERS AND NEW MEXICANS

2019 & 2020

- Increased reimbursement rates for Evaluation & Management (E&M) and outpatient BH codes to 90% of Medicare; increased rates for FQHCs and hospitals
- Reversed 2016 reductions to dental reimbursement
- Increased dispensing fees paid to community pharmacies
- Increased rates for Personal Care Services and Assisted Living Facilities
- Added new transitional care and chronic care management coverage
- Added topical fluoride varnish benefits for children
- Added supportive housing services to Centennial Care
- Added transportation to pharmacy for justice-involved members upon release

2022

- Payment for pasteurized human donor milk for high-risk infants
- Increased reimbursement rates for select Public Duty Nursing and Home Health services.
- Continuous eligibility for pregnant women for one year postpartum

January 1, 2023

- Coverage for prenatal genetic screening for cystic fibrosis, spinal muscular atrophy, and cell-free DNA for trisomy
- Expanded access to orthodontia services
- Added coverage of silver diamine fluoride
- Added mobile crisis response services
- Implemented enhanced BH services and five new evidence-based practices for BH
- Added payment rate for ventilator wing at Rehabilitation Center of ABQ

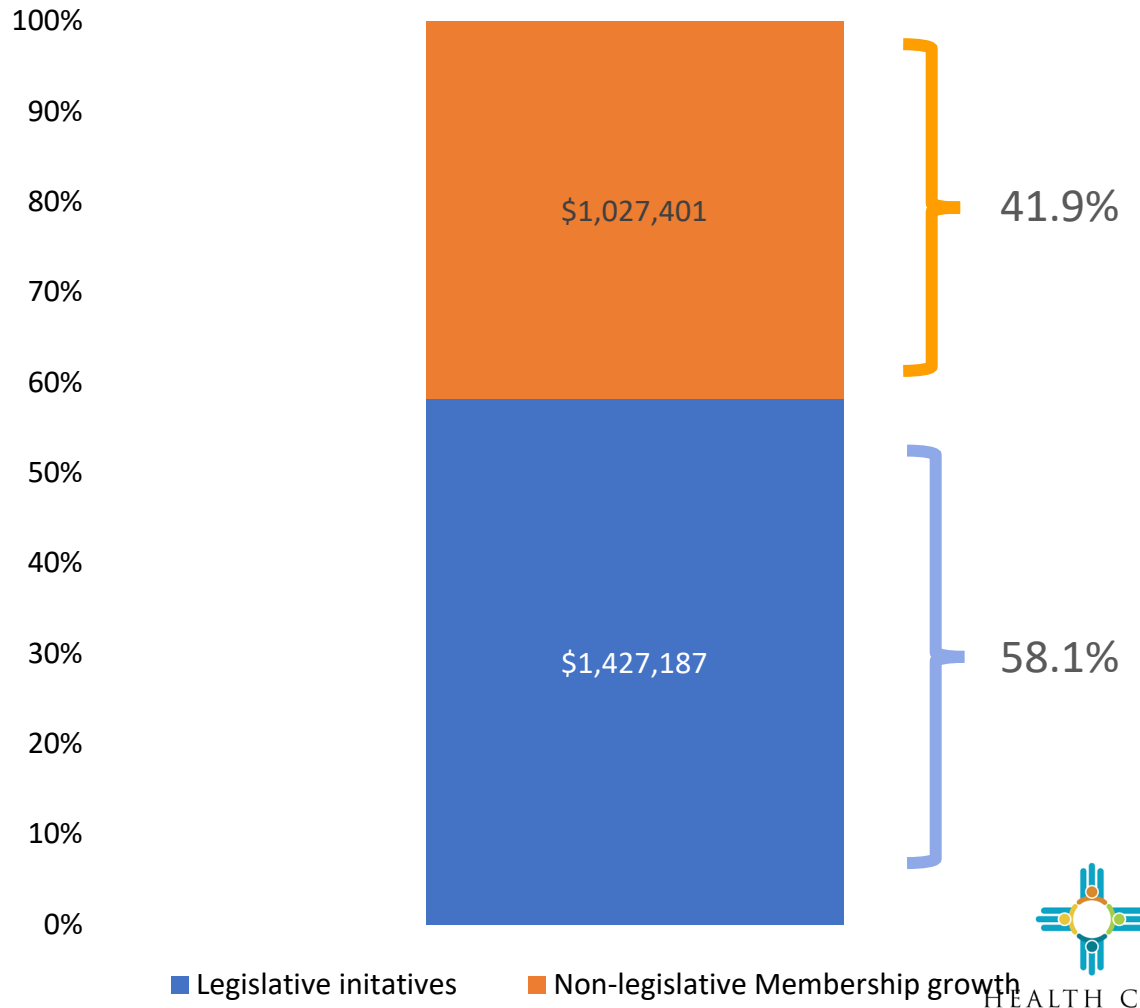
July 1, 2023

- Increased reimbursement rates for maternal and child health, primary care, and BH from 90% to a minimum of 120% of Medicare
- Raised reimbursement rates to a minimum of 100% of Medicare for acute hospital services and other specified professional services
- Added coverage for services provided by Community Health Workers
- Raised reimbursement for DD Waiver services

January 1, 2024

- Added four new home visiting models
- Continuous eligibility for children age 0-6
- Expansion of supportive housing to serve more people
- Expansion of Community Benefit slots
- Increase to the Environmental Modification benefit and transition services
- Legally-Responsible Individuals as caregivers
- Chiropractic coverage benefit (awaiting federal approval)

NM Medicaid Spending Increase Factors (Legislative & Non-Legislative), Costs in Thousands, 2019 to 2023



FY25 RATE INCREASES & EXPANSIONS

Implementing new rates and expansions takes 6-12 months:

1. Design/methodology development
2. Public and tribal notice
3. Advance publication of fee schedules
4. Negotiation of federal approval
5. IT system changes (both HCA and MCO)
6. Revision of capitation payments
7. Direction to MCOs and providers
8. MCOs may need to renegotiate provider contracts
9. Retroactive increases require rate reprocessing
10. Reporting by MCOs to verify completion
11. Audit MCOs on back-end and refresh provider rates analysis

Increase/Expansion Item	Effective Date
Douglas and Lactation Counselor services	July 2024
Raise professional dispensing fee community pharmacies	July 2024
DD Waiver rate increase	July 2024
Bilingual differential	July 2024
Rate increase for FQHCs	October 2024
Increase reimbursement rates for primary care, behavioral health and maternal child health to 150% of Medicare	January 2025
Maintain existing reimbursement rates at or above 100% of Medicare rates	January 2025
Uniform percentage increase for Phase III providers (codes without a Medicare equivalent)	January 2025
Rate parity for midlevel providers to be reimbursed the same as a physician (includes both physical and behavioral health)	January 2025
\$1M GF to provider rate differentials for rural preceptors	January 2025
Over \$11M GF for additional directed payments to 20 smallest hospitals	January 2025
Additional vision benefits for adults	January 2025
New Medicaid 1115 waiver services: Justice-involved pre-release services; medical respite for homeless individuals; home-delivered meals for pregnant members and Community Benefit members; supportive housing provider expansion	TBD based on negotiations with federal regulators

DIRECTED PAYMENTS

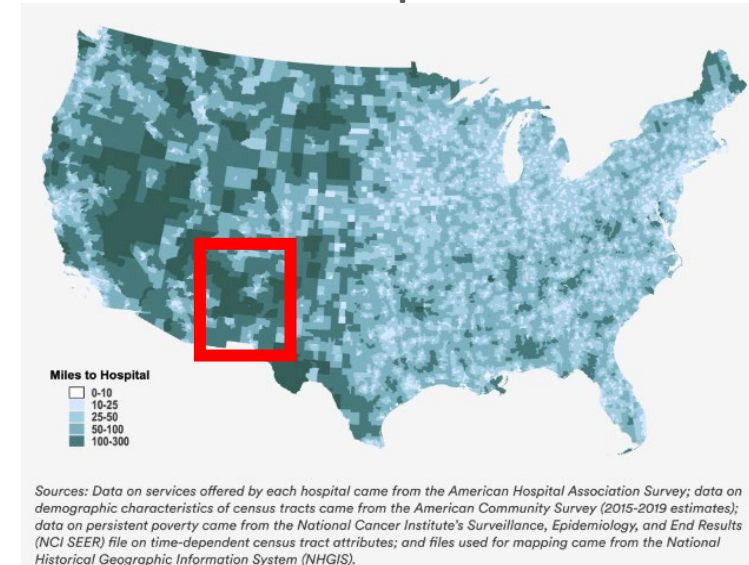
Medicaid directed payments are used to direct expenditures in connection with implementing delivery system and provider payment initiatives through Medicaid managed care contracts.

- Quality metrics required ➔
- NM currently utilizes 11 directed payments:
 - 6 for hospitals (\$218.96M)
 - 2 for nursing facilities (\$80.52M)
 - 1 for UNM medical group (\$34M)
 - 1 ARPA Home & Community-Based Services (Personal Care Services) (\$40.4M)
 - 1 Private Duty Nursing/Home Health (\$26.8M)
- Adding 5 more in FY25:
 - 2 to support rural OB hospital services (\$13.28M)
 - 1 to support publicly-owned ambulance services (amount TBD)
 - Primary care value-based purchasing (amount TBD)
 - Health Care Delivery & Access Act (\$1.32B)


HDA Program Quality Metrics

1. Hospital Unplanned Readmissions
2. Patient Safety and Adverse Events
3. Severe Sepsis and Septic Shock
4. Early Elective Deliveries
5. Patient Survey Data: Communication with Doctors
6. Patient Survey Data: Communication with Nurses
7. **Behavioral Health**: Screening, Brief Intervention, and Referral to Treatment
8. **Behavioral Health**: Follow-Up after Emergency Department Visit for Mental Health

Travel Distance to Nearest Hospital with Cancer Treatment



USING DATA TO DRIVE QUALITY & PERFORMANCE

- HCA has record of tying quality to performance:
 - **New Medicaid Primary Care Payment** model will measure and incentivize access to care and health equity.
 - **Hospital Value-Based Purchasing Program (VBP)** links payment to performance for safety net hospitals through quality measures.
 - **Nursing Facilities are demonstrating improved performance** 
 - HCA is insisting on the **addition of behavioral health metrics** in almost every quality program

HCA performance scorecard published at

www.sites.google.com/view/nmhsdscorecard/home

FY23 NM Nursing Facility Value-based Performance: Antipsychotic-Long Stay Compared to National Average



WHAT NEW MEXICANS ACROSS THE LIFESPAN CAN EXPECT FROM RATE INCREASES



By increasing primary care provider rates, Medicaid expects to retain and **expand the number of PCPs** within the delivery system, opening up provider options to members especially in rural areas and for those who use FQHCs.



New Mexico's maternal mortality rate for women over age 35 is **double** the national average. Prioritizing maternal and child health with provider rate increases and adding doulas and lactation counselors as Medicaid providers will save lives.



With a rate increase for behavioral health providers, New Mexicans can expect **improved access to behavioral health services** for substance use disorders and mental health treatment. This includes retaining, expanding and attracting more providers to the state.



The 20 smallest hospitals in NM will receive more than **\$11M** to ensure their viability and continue to serve citizens, with a long-term investment through the HDAA program that will allow them to reinvest in services in their communities, such as behavioral health and cancer care.



Individuals with disabilities will experience improved access to care and providers will experience greater stability through a **\$20M GF** reimbursement increase.



HEALTH CARE AUTHORITY LAUNCH JULY 1

- The establishment of the HCA is a significant moment for the state of New Mexico that demonstrates our commitment to prioritizing the health and well-being of every New Mexican.
- The HCA will formally launch on 7/1 and will include:
 - **From the Human Services Department (HSD):** Income Support Division (ISD), Behavioral Health Division (BHSD), Child Support Services Division (CSSD), Medical Assistance Division (MAD), and program support divisions
 - **From the Department of Health:** Developmental Disabilities Supports Division (DDSD) and Division of Health Improvement (DHI)
 - **From the General Services Department:** State Health Benefits (SHB), formerly known as the Employee Benefits Bureau (EBB)
 - **From the Office of Superintendent of Insurance:** Health Care Affordability Fund (HCAF) team



All essential services provided by HSD, including Medicaid, SNAP, TANF, LIHEAP, and child support will continue without interruption when the HCA launches on 7/1.





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QUESTIONS

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