



State Demonstrations Group

November 20, 2015

Nancy Smith-Leslie
Director
State of New Mexico, Medical Assistance Division Department of Human Services
P.O. Box 2348
Santa Fe, NM 87504-2348

Dear Ms. Smith-Leslie:

I am writing regarding New Mexico's section 1115(a) Medicaid demonstration, entitled "Centennial Care" (Project Number 11-W-00285/6). As we discussed in conversations earlier this year, the Centers for Medicare & Medicaid Services (CMS) is notifying states with uncompensated care pools of the information and analysis that should be included as part of an uncompensated care pool renewal request. If you intend to renew the uncompensated care pool, CMS will use this information and analysis during the review of the state's request. This letter provides you with a detailed description of the independent analysis the state should submit as part of its request.

As we have previously discussed with the state, CMS uses three principles to review states' uncompensated care pool requests: 1) coverage is the best way to assure beneficiary access to health care for low income individuals and uncompensated care pool funding should not pay for costs that would otherwise be covered in a Medicaid expansion; 2) Medicaid payments should support the provision of services to Medicaid and low income uninsured individuals; 3) and provider payment rates must be sufficient to promote provider participation and access, and should support plans in managing and coordinating care. These principles apply whether or not a state expands Medicaid.

The analysis of the current uncompensated care pools should be performed by an independent entity qualified to make an assessment on the criteria outlined below. The independent entity should specifically review the impact of the uncompensated care pool on:

- financing overall uncompensated care in the state;
- Medicaid provider payment rates;
- beneficiary access to Medicaid services;
- financing providers that play a significant role in serving the Medicaid population and the low-income uninsured;
- support of managed care plans in managing care;

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- any state specific circumstances for CMS to take into account as it reviews the uncompensated care pool; and,
- whether and, the extent to which, similar issues exist in the state's Hospital Quality Improvement Incentive Pool.

The analysis above is necessary for CMS to assess the role of the pool in promoting Medicaid objectives. My staff is available for technical assistance.

If you have any questions about this letter please contact me at (410) 786-5647.

Sincerely,

/s/

Eliot Fishman
Director

cc: Mr. Bill Brooks, Associate Regional Administrator, Region VI