



**Michelle Lujan Grisham, Governor**  
Kari Armijo, Acting Secretary  
Lorelei Kellogg, Acting Medicaid Director

April 27, 2023

Daniel Tsai  
Deputy Administrator and Director  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
7500 Security Boulevard, Mail Stop S2-25-26  
Baltimore, Maryland 21244-1850

Dear Deputy Administrator and Director:

The New Mexico Human Services Department, Medical Assistance Division received the Centers for Medicare & Medicaid Services' (CMS) approval to amend its 1115 demonstration entitled, "New Mexico Centennial Care 2.0" (Project Number 11-W00285/6) on March 28, 2023, in accordance with section 1115(a) of the Social Security Act. The demonstration amendment is effective March 28, 2023 through December 31, 2023 and provides the following authorities:

- Federal Financial Participation (FFP) for inpatient, residential and other services provided to otherwise-eligible Medicaid beneficiaries while they are short-term residents in Institutions for Mental Diseases (IMD) for diagnoses of Serious Mental Illness (SMI) and/or Serious Emotional Disturbance (SED). FFP will become available once CMS approves New Mexico's SMI/SED Implementation Plan.
- FFP for improvements to New Mexico's Home and Community Based Services (HCBS), including the increase of enrollment limits for the Community Benefit program and an increase in service limits for Community Transition and Environmental Modification services.
- FFP and expenditure authority for the implementation of a High-Fidelity Wrap Around (HFW) Intensive Care Coordination Benefit.

New Mexico provides the following acknowledgements and assurances to CMS:

- This approval is subject to the limitations specified in the waivers, expenditure authorities, Special Terms and Conditions (STCs), and any supplemental attachments defining the nature, character, and extent of federal involvement in this project.
- New Mexico may deviate from the Medicaid state plan requirements only to the extent such requirements have been specifically listed as waived or not applicable to expenditures authorized under the demonstration.

- New Mexico's request for federal match to establish Graduate Medical Education (GME) grant programs is not approved and CMS will continue to work with the state on the policy parameters for workforce initiatives.
- New Mexico will adhere to the STCs and 1115 demonstration requirements pertaining to budget neutrality, monitoring, and evaluation.

Please accept this letter as formal written acknowledgment of the award and acceptance of the STCs.

We appreciate CMS' continued support and partnership to advance the objectives of New Mexico's Medicaid program, and improve the health and well-being of New Mexicans. For questions concerning this acceptance, please feel free to contact New Mexico's CMS Liaison, Valerie Tapia at 505-257-8420 or [Valerie.Tapia@hsd.nm.gov](mailto:Valerie.Tapia@hsd.nm.gov).

Sincerely,



Lorelei Kellogg  
Acting Medicaid Director  
Medical Assistance Division

Cc: Dana Brown, State Monitoring Lead, CMS Medicaid and CHIP Operations Group  
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